

BUSINESS WEEK

WEEK
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START
OF WAR
1939



V-shaped drill rig at Pratt & Whitney dramatizes the urgency of aircraft engines in 1944's war production program.

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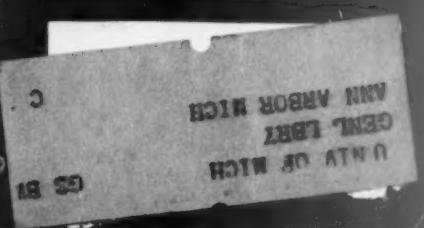
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Is this what our sons are fighting for?

"Sure, more money for everybody would increase costs and prices, and bring inflation, but other people are getting theirs and I want mine."

So \$18,000,000,000.00 is added to purchasing power in one year, prices go up, and the inflation that can wreck this nation is on its way.

"I want mine, and if I don't get it, I won't work. War or no war, I'll do what I please."

So 22,400,000 hours of production have been lost in the first five months of this year. Experts say that even in the hours worked our industrial output per man is only 70% of what it could and should be.

"This government job is the best I ever had—it gives me more power, and I enjoy that—and I'm going to keep it. What difference does one more job make when the country is spending billions?"

So we add 2,000,000 government civilian jobs since 1939, at a cost of \$5,000,000,000.00 a year (2,000,000 civilians, remember, and 2,000,000 are the equivalent of 153 armored divisions) —and the inflation that will ruin everyone is helped along.

Greed and stupidity. They are making the war last longer which means they are costing American lives; they are making the war cost billions more, and you and your children are going to pay those needless billions in a permanently lower standard of living.

It would take only a little unselfishness on the part of everyone—only a little understanding of the rights of others—to stop this stupid greed. And we had better learn that unselfishness and understanding before inflation ruins the country, before it is too late.



YOU CAN TURN IT BETTER, FASTER, FOR LESS . . . WITH A WARNER & SWASEY



Every 33 seconds — a lifetime sugar ration

typical example of B. F. Goodrich improvement in rubber

TAKES that big conveyor only 33 seconds to get all the sugar you'll surely use for life — 7,000 pounds from ship to shore. This is the new better way to load and unload sugar — time is saved, ships are loaded sooner.

It in order to let the conveyor move up and down, in and out to cover the entire ship load — the belt had to be telescoped one over the other, and telescoped belts meant there was only room enough for 14-inch pulleys. An ordinary conveyor belt strong enough to do the job would soon break if used on pulleys that small.

Some kind of belt was needed that would be very flexible but still strong enough to carry the heavy loads of sugar month after month.

B. F. Goodrich had developed a belt made of cords, running parallel and held in place only by the rubber, not woven together as in ordinary belts. It had been designed to stand heavy falling rocks; the cords could spread apart under the shock and give the effect of more cushion. But it was flexible and strong enough to be used with fewer plies. This new kind of belt was tried on the small pulleys. It travelled around them easily, has

helped make this modern loading method a success.

B. F. Goodrich engineers have developed scores of different types of conveyor belts to meet special conditions, and to give longer life and better service on standard installations, too. Don't be satisfied that any rubber product you have is the best you can find, until you have seen whether B. F. Goodrich has developed an improvement over it. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.* 

B. F. Goodrich

RUBBER and SYNTHETIC products



Fifth Freedom

This man, not long ago, worked with his hands in a steel mill. He's a top executive today, thanks to free enterprise.

In America, a man is free to choose his work, free to develop his talents, free to advance to the limit of his ability. It is opportunity, incentive to individual effort, that has made America strong.

SKF

BALL AND ROLLER BEARINGS

SKF INDUSTRIES, INC., PHILA., PA.

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BUSINESS WEEK

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Business Week • November 27,

WASHINGTON BULLETIN

WHAT THE WASHINGTON NEWS MEANS TO MANAGEMENT

Three Months to Go"

Talk around town this week sounds like the stuff that dreams are made of. The theme is that, if the mounting pressure for another round of wage rate increases can be staved off for only three months longer, the fight in this sector of the inflation front will have been won. By that time, labor will have been moved to start concentrating on the job of holding the gains it has already made.

The only assumptions on which this "new hope" can stand are:

- (1) That within these three months there will be a sharp cutback in war production—either in anticipation of an early and definite end of the German war or because it will be obvious that production is far outstripping any conceivable military need regardless of the length of the war;
- (2) That, in the event of such a cutback, labor pressure actually will diminish.

Reasons for Doubt

There is no reason to believe, on the one hand, that the magnitude of any cutback in war production during this three-month period will be sufficient to create a substantial surplus of labor (page 13), or that, even if it should, labor would shift from offense to defense. There is every reason to believe that, to the contrary, labor will fight to the end of the war boom. For one thing, as war production tapers off, labor will drive for higher wage rates to meet the shrinkage in take-home pay. It will come with reduction in overtime and other incentives.

Labor's bargaining power lies not only in the labor market but also in the political market. And that's something it's not going to let President Roosevelt forget.

Excess Tax Strategy

Sen. Walter F. George, and his powerful Finance Committee, will deal finally with the House version of the \$3 billion revenue bill. With the Administration ready to kill off any form of sales tax or compulsory savings, and with committee members fairly well agreed to come down any harder on individual incomes, they haven't much choice.

The Finance Committee doesn't like the idea of boosting the excess-profits tax from 90% to 95%, but it prefers

that to a boost in the corporate surtax rate. As the senators figure it, the excess-profits tax probably will be repealed—or at least cut drastically—as soon as the war ends, while the normal tax and surtax will stay until the millennium.

Some of the committee members would like to write in a set of sweeping amendments limiting the military's authority on contract renegotiation. They don't have time to make a real fight, however, and the committee probably will content itself with tightening up the House proposals.

Baruch vs. Nelson

Bernard Baruch, head of the Post-war Adjustment Unit of James F. Byrnes' Office of War Mobilization, has

thrown WPB into a turmoil that only the President can straighten out.

When Baruch last week boomed WPB as the agency to handle industrial demobilization, Chairman Donald M. Nelson was ready to pitch into the job. His own plans for the future indefinite, Nelson had previously advised his staff that he would stay, provided WPB retained postwar policy-making and operational powers.

Nelson was all set to call in industry advisory committees to blueprint post-war prospects, when an abrupt denial from Baruch in New York—"Nothing I have said should be construed as meaning what the press representatives of Mr. Nelson and the War Production Board gave out"—stopped WPB in its tracks. On the same day, Byrnes persuaded WPB Vice-Chairman Charles

Left on the Table for the Big Three

While the man in the street was speculating about the broad strategic decisions that the Moscow Conference left to the Big Three, Washington was talking in undertones about the political questions that only Roosevelt, Churchill, and Stalin could settle (BW-Nov. 20 '43, p15). • **Pushed Out Front**—Moscow subtly pushed the toughest of them into the limelight this week in a manner obviously intended to prepare the way for momentous Big Three announcements.

In an editorial in *Izvestia*, semi-official Moscow daily, Russia declared that it had no desire to impose the Soviet form of government on anyone. This declaration was patently timed to meet statements by representatives of the Polish government-in-exile that, if Moscow refuses to recognize that government, the Poles will fight the Russians when the latter cross the former Russo-Polish border (page 14). It was also intended to say that Russia's failure to join Britain in support of the Polish government was not based on a determination to set up a Soviet successor to it.

• **Major Issues Involved**—Major issues are involved in Russia's carefully implied notice that it is sticking to its guns regarding postwar governments in occupied lands. Their settlement by the Big Three will provide a criterion for action in the Far East as well as in Europe.

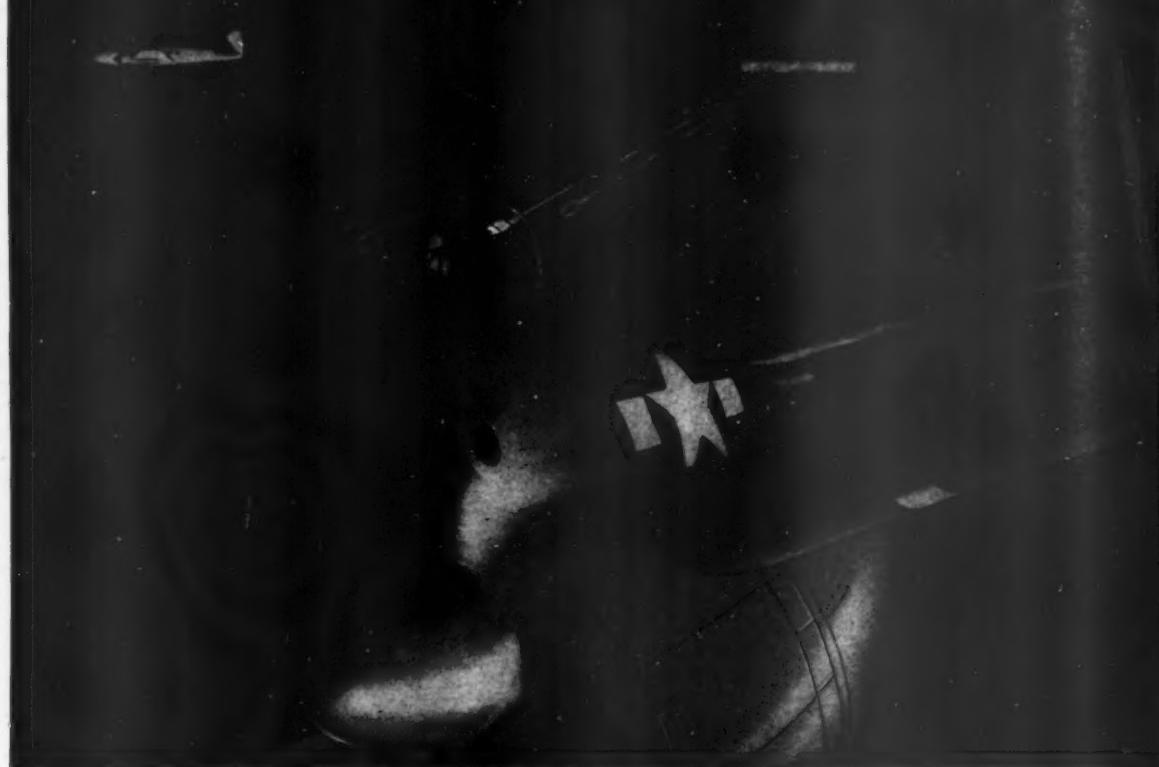
Britain, and to a lesser degree the United States, have worked all through the war on the premise that the governments-in-exile were the last freely elected representatives of their respective peoples and that, therefore, they should be reinstated when their countries were liberated. Then, if the people wished a change, they could hold an election.

• **Russia Thinks Different**—Russia, on the other hand, contends that in many countries—particularly in eastern Europe—the governments did not truly represent the people because no such thing as a really free and fair election system existed. It is insisting that—at a time when three big powers are working together so that no one of them can be accused of imperialism—a free election should be held before any of the old governments return and reset the stage to turn an election in their favor.

The issue is most acute in Poland, but it also exists in Greece and Yugoslavia, and, in a different form, in France. Czechoslovakia is probably the only country in eastern Europe whose former government is acceptable to Moscow.

• **The Case of Greece**—London has not yet yielded to Soviet requests that the Greeks be helped to elect a new government without ever accepting back either the King or the cabinet-in-exile. That is still an issue to be bargained to a solution among the Big Three.

THE TOUCH OF TOMORROW IN THE PLANES OF TODAY



It All Adds Up To Subtracting Zeros

Today's apprentice gunner enters a deadly trade—defending American bombers against vicious attacks of Jap Zeros and other heavily armed enemy fighters.

To follow his trade and survive, the gunner first has to learn how to "polish 'em off around the clock." His training must be thorough and painstaking, and it must come within a hair's breadth of being the real thing. That's why Fairchild developed the GUNNER.

This advanced trainer has the essential characteristics of the bombers from which our student marksmen will soon shoot it out with Axis pursuits. From a power turret, similar to one on a Flying Fortress,

each fledgling is taught to pick off tiny targets moving at better than 200 miles per hour. It's tricky work and it takes a keen eye, steady nerves and precision equipment. It's the kind of training that pays off when the chips are down.

Fairchild's GUNNER, from which apprentice marksmen step into bombers and thence into action, is one of the largest, speediest training planes used by the Army Air Forces. Powered by two 12-cylinder inverted, in-line, air-cooled Ranger engines, GUNNER is a typical example of Fairchild's "touch of tomorrow in the planes of today."

BUY U. S. WAR BONDS AND STAMPS



Ranger Aircraft Engines Division, Farmingdale, L. I.

ENGINE AND AIRPLANE CORPORATION
30 ROCKEFELLER PLAZA, NEW YORK

Fairchild Aircraft Division, Hagerstown, Md. . . . Burlington, N. C.

Duramold Division, New York

WASHINGTON BULLETIN

(Continued)

Wilson to let the President set the date on the resignation Wilson had tendered to Nelson weeks ago (BW—Nov. 13 '43, p. 5; Nov. 20 '43, p. 5).

George Leaning on WPB

In the meantime, two congressional committees, the House Military Affairs Committee and Sen. Walter F. George's special postwar committee, are working legislation which would set the general policy on demobilization and conversion. The George committee, which has just made a set of preliminary recommendations to the Senate, is leaning heavily on WPB's ideas.

Steel Price Cut

With electric furnaces having trouble maintaining operations because consumers balked at paying the \$10-a-ton premium for electric furnace alloy steel over openhearth alloy, the inevitable has opened: price-cutting.

At least one electric furnace operator has reduced his alloy prices to the openhearth level. But he won't lose money in this process, because he is able to buy electric furnace alloy scrap at below PA ceiling levels and is just passing the saving on to his customers.

While electric furnace operators are struggling to keep their units going, at least six openhearts are down. These furnaces formerly had been turning out low steel, now are unable to turn out carbon steel due to lack of proper finishing facilities.

Termination Tip

Congress will set the broad policy on termination of contracts, but in the meantime, here's what a high-ranking procurement officer advises every contractor to do:

- (1) Set up a termination department with adequate staff of engineers and accountants.
- (2) Take an inventory, and determine what government-owned tools and materials wants to keep, and what he is willing to pay for them.
- (3) Set up his books and records so that he can make a prompt claim for settlement when cancellation day comes.

McNutt and the Fathers

War Manpower Commissioner Paul McNutt has asked the President to veto the newly passed fathers' draft bill as to preserve his control over Selective Service. But he is perfectly willing to have the White House issue an

executive order incorporating all of the proposed law except the provision freeing Selective Service of WMC control.

McNutt is agreeable to accepting the other provisions of the measure because they don't do very much. Born as Sen. Burton K. Wheeler's ambitious plan to block the draft of pre-Pearl Harbor fathers—at least for this year—the measure ended as a face-saver to justify the expenditure of oratory.

It won't have any material effect on the American home.

What the Bill Does

The measure outlaws the nondeferrable "work or fight" order which was promulgated last spring, but WMC officials say this doesn't mean anything any more because all fathers will be reclassified by the middle of next year into appropriate classes—1-A, 2-A, 2-B, 3-D, or 4-F, out of 3-A.

McNutt wailed that he was unjustly blamed for promulgating the order in the first place, contending that Selective Service Director Lewis B. Hershey, who stands to regain his independence by

the measure, fathered and pushed the idea from the outset.

Actually, the complaint comes rather late. McNutt approved the order when it was issued, and his press division worded the announcement so that the one-time Presidential aspirant, rather than the General, would get the "credit."

Other features of the bill:

1. Places pre-Pearl Harbor fathers at the bottom of the draft pool—which is already being done by Selective Service.
2. Sets up a commission of physicians to see if Army and Navy physical standards can be lowered to reduce the number of 4-F's.
3. Provides for pre-induction physical exams of registrants on request.
4. Calls for an accounting of deferment of government employees.

Way for Higher-Priced Lines

Finally forced to admit the obvious—that many low-priced goods have simply disappeared from the market under the pressure of price ceilings—OPA this week relaxed (but did not abolish) its

NWLB Gets the Last Word on Coal

On Mar. 10, John L. Lewis presented his demand for a \$2-a-day wage increase to pay for underground travel time in the coal mines. More than eight months later, the National War Labor Board spelled out for the first time just what is due the miners for travel time.

Its decision—on an interpretation of the agreement signed by Secretary of the Interior Harold L. Ickes and Lewis—allowed the miners a basic wage of \$57.06 $\frac{1}{2}$ for a work-week of six days of nine hours each—eight hours assumed to be work at the face mining coal, 45 minutes travel time, and 15 minutes lunch time. The NWLB ruling rejected a submission by Ickes which would have given the miners 30¢ a week more than the board allowed.

Operators and miners, trying to reach a new wage agreement to facilitate the return of the mines to their owners, find themselves rigidly hemmed in by the involved NWLB formula. Some operators are arguing to "take the castor oil" and go home, but others want to fight for better terms, perhaps laying the groundwork for another coal crisis.

And NWLB has added to their troubles by warning that it will not permit the operators to assume that

underground travel time amounts to 45 minutes a day—as did Ickes—unless they can prove it, which may be difficult.

NWLB started out by approving a basic rate of \$8.50 a day, because miners would have received that sum for an eight-hour day (exclusive of travel time and lunch time) under their old contract which called for \$1 an hour for seven hours, and \$1.50 overtime for each additional hour.

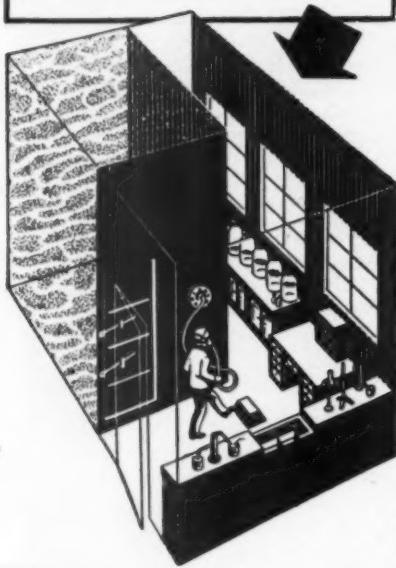
Spreading \$8.50 over the new 83-hour day (not counting lunch) in effect provides either (1) a basic hourly rate of \$0.9714 for all work time, or (2) a \$1 an hour rate for work at the face, and \$0.66 $\frac{1}{2}$ an hour for travel time.

NWLB said either formula could be approved under the Fair Labor Standards Act, but not the one proposed by Ickes—which would not pay for travel time worked under 40 hours a week, but would pay for travel time over 40 hours a week at the overtime rate of \$1.50 an hour.

Ickes accepted the second method O.K.'d by NWLB. Both methods give the miner the same wages, \$8.50 a day for the first four days, \$10.31 $\frac{1}{2}$ for the fifth day, and \$12.75 for the sixth day of the work-week.

WASHINGTON BULLETIN (Continued)

The gas chamber that lengthens life



IN this gas chamber you could meet, at one time or another, all the gases that afflict industry and threaten its workers' lives.

Here Willson scientists add to their knowledge of lethal vapors, and how to make them harmless. Here they test the masks and respirators on whose unfailing performance human beings stake their lives. This is a fearful responsibility; and the Willson life-lengthening gas chamber is only one of countless ways by which that responsibility is discharged.

All Willson protection is scientifically engineered to yield the utmost in safety and comfort. That is why so many Safety Directors and Purchasing Agents specify Willson for head, eye and lung protective equipment.

For 73 years Willson has been a leader in preventing industrial accidents.



WILLSON APPROVED UNIVERSAL GAS MASK

Approved by Bureau of Mines for protection against the great variety of poisonous gases, smoke and vapors—including carbon monoxide—resulting from industrial operations.

*

GOOGLES • GAS MASKS • HELMETS • RESPIRATORS

WILLSON
DOUBLE
PRODUCTS INCORPORATED
READING, PA. U.S.A.

famous "highest-price-line limitation."

Henceforth, retailers and wholesalers of women's, girls', and children's outerwear garments which come under Maximum Price Regulation 330 will be allowed to carry higher-priced lines. But the lid isn't off entirely; the trade will be told—in dollars and cents—just how much higher it may go.

This action is considered a stopgap, until OPA gets its much-talked-of new price regulation for retail stores (page 82), or until WPB can take steps to insure a larger supply of low-priced lines.

Rationing Lowdown

Don't get too excited about rumors that this, that, or the other commodity is going to come out from under rationing.

Most of such rumors stem from the fact that Col. Bryan Houston, OPA's new rationing chief, has ordered all subordinates to take a good look at all programs, make absolutely certain that rationing is still necessary.

One report that has some foundation: rationing of heating stoves may be abandoned or relaxed. WPB materials allocations to stove manufacturers went much further than anyone expected (somewhat to WPB's embarrassment)

Meat Point Problem

OPA is sorry about those gluts of meat which have occurred recently in Salt Lake City and elsewhere because there weren't enough ration points in town to sop up available supplies.

But the agency's heart isn't quite bleeding for the retail butcher. OPA likes to remind butchers they can always cut point values on slow-moving cuts—if they slash prices, too.

Chances are, however, that next month OPA will give the nation a Christmas present in the form of much lower point values on virtually all meats.

As a more permanent solution, the agency would like to divorce meat rationing from butter and fats—so that meat dealers wouldn't be penalized for the current high point-value of butter.

Administrative complexities have held up the change so far, and it may never go through.

Relaxing Retail Credit

Restrictions on instalment selling and charge accounts probably will be relaxed before long, but they won't be removed completely.

Instalment credit hasn't played much

of a part in the inflation situation so and control authorities worry a lot about the time-purchaser than about man who lays cash on the line. A with supplies of heavy goods—automobiles, refrigerators, etc.—under more formal control, the need for restrictions is diminishing.

The Federal Reserve Board, which administers Regulation W, is thinking of giving retailers more discretion in down-payments and terms. It will take the lid off completely, partly cause it wants to keep a finger on situation, partly because merchants generally don't much mind Regulation which has proved useful in jostling accounts.

Deadline for Employers

Employers who haven't made plans for handling the withholding tax in W-2—the statement of income paid each employee and the amount of withheld—can't count on any extension from the Bureau of Internal Revenue.

Employers are supposed to give the workers W-2 (and file a duplicate with the bureau) before the end of January. Officials are afraid that some companies will get tied up with year-end audits if they can't make the deadline.

Internal Revenue will be tough about extensions because, from a bookkeeper's standpoint, W-2 is the key to the whole system of collection at the source. It is the only evidence the bureau has of the amount collected from each worker.

Capital Gains (and Losses)

Friends of Sen. Robert R. Reynolds of North Carolina wouldn't be surprised to see him in the Senate for another term in spite of his avowed intent not to run again. In the North Carolina primaries, former Gov. Clyde R. Hoey and Rep. Cameron Morrison may have each other's throats, leaving the field open for Reynolds.

Anyone with an interest in a trademark, commercial print, or label that was formerly owned by enemy nations must report it to the Office of Alien Property Custodian by Feb. 1.

A new threat to the President's strong hold-the-line policy is the reciprocal arrangement of oil and coal interests to push for legislation to provide high prices for their products. Enough strength has been rallied in the House to force a vote on both the crude oil and the coal propositions on Dec. 13.

—Business Week
Washington Bureau

FIGURES OF THE WEEK

THE INDEX (see chart below).

INTRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Steel Ingot Operations (% of capacity)	99.1	97.8	100.6	99.3	98.3
Production of Automobiles and Trucks	18,440	19,300	17,785	19,175	18,270
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$9,256	\$8,656	\$8,057	\$11,402	\$27,710
Electric Power Output (million kilowatt-hours)	4,513	4,483	4,415	3,992	3,795
Crude Oil (daily average, 1,000 bbls.)	4,414	4,436	4,410	4,006	3,912
Luminous Coal (daily average, 1,000 tons)	1,910	1,499	1,954	2,050	2,009

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	83	83	85	80	84
All Other Carloadings (daily average, 1,000 cars)	58	42	67	61	60
Money in Circulation (Wednesday series, millions)	\$19,559	\$19,514	\$19,019	\$16,795	\$14,465
Department Store Sales (change from same week of preceding year)	+14%	+10%	+13%	+16%	+13%
Business Failures (Dun & Bradstreet, number)	29	30	34	47	135

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100)	244.7	243.8	247.4	245.8	230.6
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	160.5	160.5	160.5	160.1	155.1
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	213.8	212.5	215.7	207.6	186.5
Finished Steel Composite (Steel, ton)	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton)	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.)	12,000¢	12,000¢	12,000¢	12,000¢	12,000¢
Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.57	\$1.55	\$1.53	\$1.38	\$1.23
Sugar (raw, delivered New York, lb.)	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.)	19.80¢	19.78¢	20.21¢	21.22¢	19.16¢
Wool Tops (New York, lb.)	\$1.279	\$1.266	\$1.332	\$1.345	\$1.205
Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

Stocks, Price Index (Standard & Poor's Corp.)	89.7	89.1	94.5	94.6	74.6
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	3.83%	3.84%	3.81%	3.90%	4.25%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.72%	2.71%	2.70%	2.74%	2.80%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)	2.33%	2.32%	2.30%	2.30%	2.33%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate)	1-1%	1-1%	1-1%	1-1%	1-1%

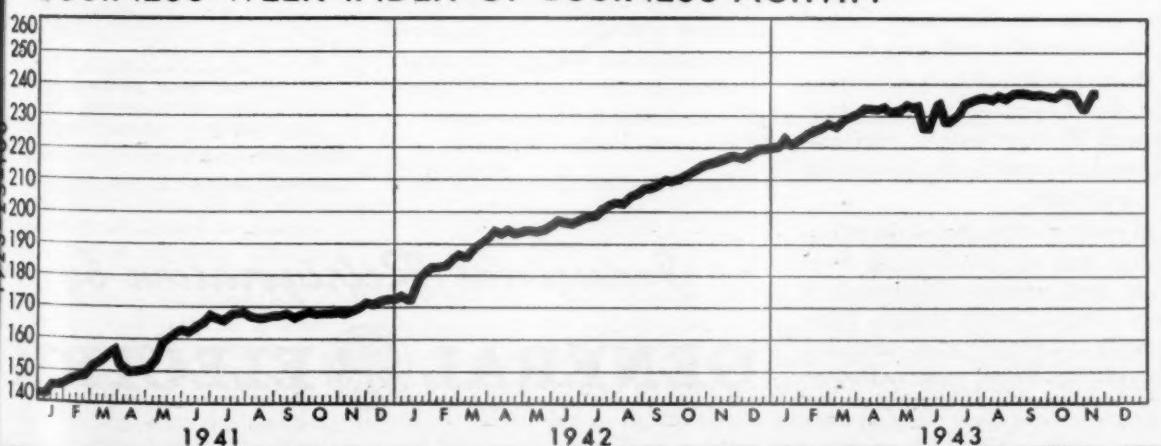
FINANCING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks	32,649	32,039	31,366	30,652	29,698
Total Loans and Investments, reporting member banks	51,989	52,051	53,477	47,368	37,905
Commercial and Agricultural Loans, reporting member banks	6,435	6,451	6,361	5,745	6,547
Securities Loans, reporting member banks	2,294	2,437	2,857	1,751	843
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	37,857	37,732	38,682	34,215	24,423
Other Securities Held, reporting member banks	2,821	2,836	2,914	3,079	3,310
Excess Reserves, all member banks (Wednesday series)	1,100	1,080	1,407	1,638	2,489
Total Federal Reserve Credit Outstanding (Wednesday series)	10,372	10,231	9,380	6,434	5,045

† Revised.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





One died from SHELL SHOCK!

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fighting equipment...in shorter time.

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THE OUTLOOK

Coming the Turn

The facts behind that talk of a "pre-peace slump" are materials surpluses, but a continuing pinch on manpower, reconversion chances, but bigger war demands ahead.

Announcement of a War and Navy cutback of \$18,000,000,000 in appropriations and authorizations reports of an easing in the demand for carbon steel (the basic war material), and announcements of several ordnance plant shutdowns this year have all created talk of a substantial cutback in the munitions program before victory over Germany.

Much Optimism

We are, indeed, approaching a vital point in the outlook, a change in the situation that will become dominant when Germany falls. But so early and sharp a pre-peace slump in the war economy as is now talked about is extremely unlikely, if not impossible. Military funds are always in excess of expenditure estimates; long ago it became clear that we wouldn't produce—or pay for—the originally "scheduled" volume of munitions (BW—May 1943, p13). The easing in carbon steel demand reflected in first-quarter allocations for 1944, which have again been cut down war demands. Finally, even a steel surplus to result from recent cutbacks—which we have had more, more of which are to be expected, and most of which are already accounted for in plans to shift the redundant steel to other war uses—it doesn't indicate a decline in over-all production.

More Man-Hours per Ton

Manpower is the limiting factor on munitions output, and the emphasis of the war program is now on such items as aircraft, electronic equipment, and naval ships, which require more man-hours to fabricate a ton of metal than do simpler—and declining—operations involved in shell, gun, and tank production.

We can still expect over-all munitions output—which rose 5% in October to a level of 648 (based on November 1941, output equaling 100)—to increase another 12% to 15% in early 1944, then to tend to flatten out (BW—Oct 25, 1943, p13). And such an increase will spell some additional manpower needs, particularly at a time when hundreds of thousands of farm workers who left industrial jobs after the summer months are starting back to the land.

An easing in the materials situation is not inconsistent with this outlook, though it cannot be taken as a signal for an easing in manpower and a general letdown. We are most likely to be getting arms surpluses in lines that require relatively few man-hours, and to be driving the production of those that are hard to make, higher in demands on man-hours. Materials demands will be changing, breeding surpluses in certain sectors. Expansion in capacity is catching up at some points. Enlarged imports and particular cutbacks will loosen the hold on some lines of materials.

Other Bottlenecks

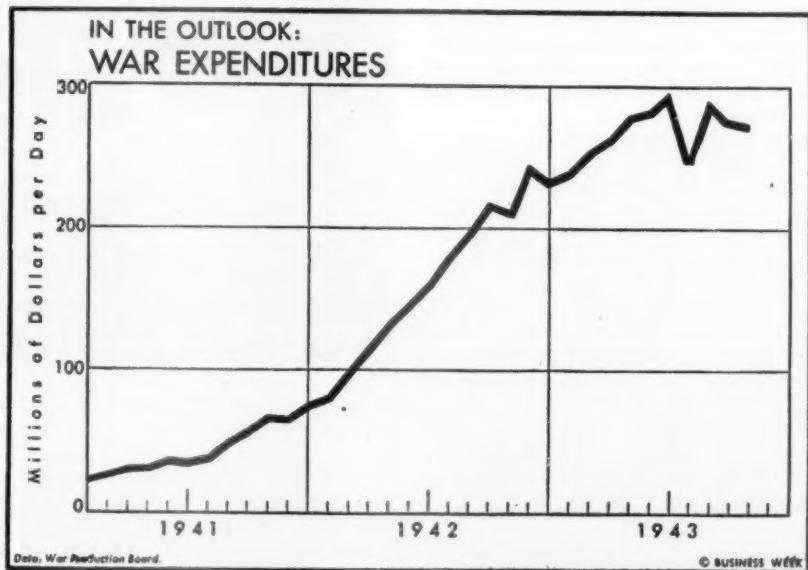
But the contrast between the manpower and materials outlooks doesn't tell the whole story. In 1942 and early 1943, the major cutbacks released resources that were, willy-nilly, almost en-

tirely absorbed by the swiftly growing war program. Now total munitions output is close to scheduled requirements, and some of the cutbacks will point to opportunities to ease the civilian economy—to reconversions. In this sense, the outlook is turning in the direction to which it will swing most strongly after Germany's fall.

At this time it becomes vital to examine and re-examine bottlenecks—technological and administrative—to insure that we get the most out of the job of putting men, plant, and materials together to serve the needs of the war program or to see that resources released from the war program are put to the use of the civilian economy as that becomes possible.

Variety of Possibilities

Bottlenecks in the effective use of all available materials might be manpower—in labor shortage areas—or components, such as bearings, axles, and transmissions. They might be found in plant facilities—as when sheet capacity for civilians is all taken up by the processing of steel for arms output. They might lie in the field of other materials—as when we lack lumber required for use with steel in construction. The result



The apparent decline in the rate of war spending from June to October does not reflect a real decline in the pace of the war effort. Indeed, expenditures so far this month point to a record rate well above \$300,000,000 a day. Treasury figures on checks cashed for War, Navy, Agriculture, and similar agencies show from month

to month erratic ups and downs which bear no exact relation to the trend of costs of munitions, construction, food lend-lease, and the armed forces. The ups and downs combined into a decline over recent months and into a rebound in November. But total accruals of actual costs, which were rising, are now beginning to flatten out.

of them may be idle labor or idle plant for which work is actually waiting if all the combinations can be worked out.

But often the bottleneck is an administrative one—as in the lack of coordination between the procurement, production, and manpower agencies. Frequently, the last two learn of cutbacks from the press, so even where technology permits, they can't quickly put material into relaxed "L" or "M" orders, or siphon idle labor to shortage

spots, or reconvert cutback plants to peacetime jobs.

These technological and administrative bottlenecks need breaking now if large-scale demobilization is not to hit us like a ton of bricks later.

In general, the prospect is for no major turndown in over-all munitions production—and so no large-scale reconversion—before Hitler's fall. But, in a few months, the arms curve might run jaggedly, as cutbacks, at times, offset

gains in total output. It might slip.

Just how much the program is to be cut as victory over Germany approaches depends in the end on how high-policy makers weigh the chance waste in military surpluses against danger of incurring needless causal due to lack of fighting material (BW Aug. 7 '43, p108). Always, the decision hangs on the course of war—as does timing of the major demobilization.

Will Russia's Elastic Borders Stretch Again?

Britain and the United States may have basic differences on both economic and political grounds, but for the discussion of Europe's eastern frontiers and future political construction, they must present a united front to Soviet diplomats. This is one of the most volatile issues among the United Nations today.

• Point of Conflict—In eastern Europe, the ideologies and interests of the East and West come into conflict.

Here the Allies, after the World War, first drew the anti-typhoid corridor sanitaire, a term later applied to the chain of buffer states between "Europe" and bolshevism.

• Five Lines Drawn—In recent history, five important lines have been drawn across this area (map).

(1) Farthest west was the 1914 frontier of Czarist Russia, contiguous with that of the German-Austro-Hungarian Entente from the Baltic to Rumania.

(2) On Dec. 8, 1919, the Supreme Council of the Allies, meeting in Paris, laid down a provisional boundary—the "Curzon Line"—between Russia and Poland, giving Poland predominantly Polish areas. This line was never formalized, but:

(3) On the night of Sept. 16, 1939, the Polish government fled across the border into Rumania, taking 132 military planes and parts of the army. At 6 a.m. on Sept. 17, the Red Army raced into Poland, met the Germans east of Warsaw, established a frontier approximating, through part of its length, the "Curzon Line."

Before the end of the year Estonia, Latvia, and Lithuania—under pressure—had granted military bases to the Soviet, and war between Finland and Russia raged. After a Soviet-Finnish peace pact, signed in March, 1940, the Baltic states were "admitted" to the U.S.S.R., along with Bessarabia, taken over without bloodshed on June 27, 1940.

(4) Still farther east are the 1921-1939 boundaries of the Soviet Union.



In the spring of 1920, Polish troops entered Kiev; in August they were defending the outskirts of Warsaw. With French aid, Poland forced the Red Army beyond Brest-Litovsk before the end of August, and the Treaty of Riga, establishing the frontier which existed between then and 1939, was signed on Oct. 13, 1920.

By 1921, most of the eastern European frontiers had been stabilized, but frontier friction persisted; postal communication between Lithuania and Poland was impossible; the Baltic states maintained a "deep barbed-wire zone" on the Soviet frontier; Soviet Russia mapped Bessarabia as neither Soviet nor Rumanian, and

trans-Dniester traffic was not resumed until 1935.

(5) Today the western Soviet frontier is a smoking battle line, edging slowly toward the Riga treaty frontier. However, the Soviet ambassador to Mexico, Constantin Oumansky, remarked earlier this month that the Red Army must move "280 miles in the same direction to reach our frontier with Poland" to "liberate the Soviet Ukraine."

However, the final definition of boundaries is likely to be made more as a result of determination of the responsibility and stability of reconstituted governments than of reassessments of historic rights.

Toward a New Farm Plan

Congress, in vote against subsidies, reflects farmers' revolt against controls; cash receipts of agriculture are at a new high, potential surpluses pose postwar problems.

Congress took a long step toward re-writing the country's wartime agricultural policy this week when it voted to end subsidies on farm products. The latter, meanwhile, is counting the big cash receipts in the country's history, and the Dept. of Agriculture is taking more and more time to draft its postwar programs.

Vote for Higher Prices—Immediate effect of a ban on subsidies—if it is to stick—will be higher prices on essential foods. Washington officials committed to the thesis that farmers must get more than going market prices for many of their products or they will be unable to meet food goals. Incentive payments and guaranteed spot prices have been basic tools in the effort to spur food production. When unceiling farm prices have gone high enough so that processors have been pinched between raw materials costs and price-fixed selling prices, subsidies have been resorted to.

Payments to Packers—Largest of the payments (they add up to an estimated \$100,000,000 in the fiscal year ending June 30) is that covering meat and butter, expected to cost about \$100,000,000. War Food Administration has undertaken to set both floor and ceiling prices on live hogs and hams; packers get subsidies to reimburse them for paying higher-than-ceiling prices, the benefit of the subsidy presumably trickling back to the raiser of the livestock.

The new bread program—figures on cost run anywhere from \$65,000,000 to \$110,000,000—is supposed to work much the same way. Millers will be compensated for high wheat prices and will be expected to stick to present ceilings on flour so that bakers will not have to ask higher prices for bread.

Farmers Get Milk Cash—In the case of milk, on the other hand, payments are made directly to the farmer on the basis either of fluid milk volume or of butterfat content. These payments, on which the guesses run from \$150,000,000 to \$250,000,000, are designed to help dairymen meet the high cost of production.

The milk situation, incidentally, illustrates how a subsidy may be used in the effort to boost lagging production. From January through July, milk production almost exactly equaled the record 1942 level. Since that time, however, output has been falling behind.

Feed Scarcity Cuts Output—At the end of October, production of milk

per cow was the lowest for that season in four years. Moreover, the percentage of cows in dairy herds that were not being milked was the highest in 15 years. The largest declines in milk production were in feed-deficit areas such as the Northeast and South.

Rather than permit any further increase in prices paid by consumers for milk and dairy products, the War Food Administration is trying to get farmers to feed their flocks better—thereby increasing milk output—by means of the milk subsidy.

• Threats Didn't Work—The dairy-feed situation is, of course, just one manifestation of the Office of Price Administration and War Food Administration troubles with livestock feed, and most of all with corn. In drafting new price ceilings for corn, OPA is recognizing the long-evident fact that too much of the grain is going to market as fat on hogs; cajolery and threats haven't been enough to pry it out of midwestern cribs at the ceiling price of \$1.07 (Chicago base).

De-emphasis of the porker in the food program means more slaughtering from now until well into 1944, farrowing of fewer sows in both spring and fall next year, and lighter slaughter runs next winter. This, along with the recom-

mendation that cattle population be reduced by 4,000,000 next year, is a part of the program gradually to bring herds down toward peacetime levels.

• Factors in Prosperity—There is no evidence, however, that 1944 will mark a turnaround in steadily rising farm income. Actual livestock slaughter, at least until late next year, will top 1943's record levels. Expanded acreage should result in good crops, even though weather and worms might cut per-acre yields from the high figures of 1942 and 1943. There should be more fruit than in this year's disappointing pick.

Above all, prices will average higher, even if Congress should not succeed in prying up the ceilings.

• The 1943 Record—Present indications are that farm cash income (including government payments) for 1943 will soar to between \$19,500,000,000 and \$20,000,000,000. That would compare with \$16,177,000,000 in 1942, and \$11,743,000,000 in 1941. (The record, prior to this war, was \$14,602,000,000 in 1919.)

The farmer's costs of doing business have, of course, been going up with those of everyone else. Nevertheless, the Dept. of Agriculture estimates that net cash realized (allowing for appreciation in value of crops and livestock on farms) will reach \$12,500,000,000 for 1943 against \$9,249,000,000 in 1942 and \$6,624,000,000 in 1941.

And, notwithstanding the size of gains already recorded, agriculture's economists persistently have predicted a moderate further rise in 1944.

• Things to Worry About—The break-neck gain in farm income poses prob-



DOOR OF HISTORY

Through the Prime Minister's door at No. 10 Downing St., London, will pass anxious representatives of the

governments-in-exile when the Big Three—Roosevelt, Churchill, and Stalin—reveal to the world the pattern that only they can devise for rebuilding postwar Europe (page 5).

lems of present and postwar significance.

Secretary Claude Wickard is thumping for a program to control speculation in farm land to prevent a crackup such as that which followed the last war.

Congress having largely cut the props out from under the crop controls developed in the last decade, Secretary Wickard is urging farmers to plan a postwar conservation program "to maintain soil fertility."

Washington officials generally are worried over the possibility of excess planting and breeding in the years immediately after the war unless a broad program for control is worked out by the major surplus nations.

Cotton planters are wondering about their postwar market with prices already sagging because mills are buying hand-to-mouth (presumably for fear prices will crack at the end of the war because of world surpluses).

• **Election a Big Factor**—Solutions to most of these problems will not be hatched overnight. The outcome of next year's elections will have much to do with planning agriculture's postwar course; the vote will have its effect, too, on industry's postwar program which will in turn determine consumers' purchasing power and farm prosperity.

The temper of Congress on subsidies is a strong clew to the farmers' attitude toward peacetime reestablishment of the crop controls of the 'thirties.

Steel Marches On

Production nears goal, but reported surplus is a half truth; next big job is balancing military and civilian needs.

The steel industry has marched up its production hill. Its military supply situation is well in hand. Its next job, no less difficult, will be to march down again, not too far, with military demands and something for the cleaned-out civilian economy neatly balanced on both shoulders.

• **Stockpiles Accumulating**—A growing national stockpile of unfinished steel has led some observers to conclude that the steel shortage is over. There is enough truth in this conclusion to give it wide circulation. But it's only half-truth.

True, some plants are piling up new steel. One company alone is reported to be stockpiling 100,000 tons a month. Also, it's true that WPB is easing restrictions on steel for civilian uses.

But, on the other side of the picture, there is enough backed-up civilian demand to use every ton of steel in sight, if it could be cut up and rolled into sizes and shapes such as the steel mills customarily sell in peacetime.

• **Production at New Peak**—The all-time steel production peak was achieved the week of Oct. 11, when, the Ameri-

can Iron & Steel Institute reports, industry operated at 102.2% of capacity and produced 1,755,000 tons of unfinished or ingot steel.

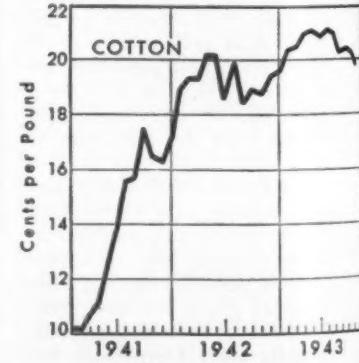
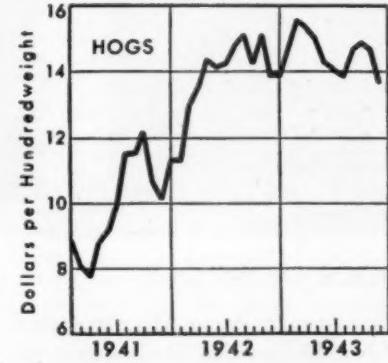
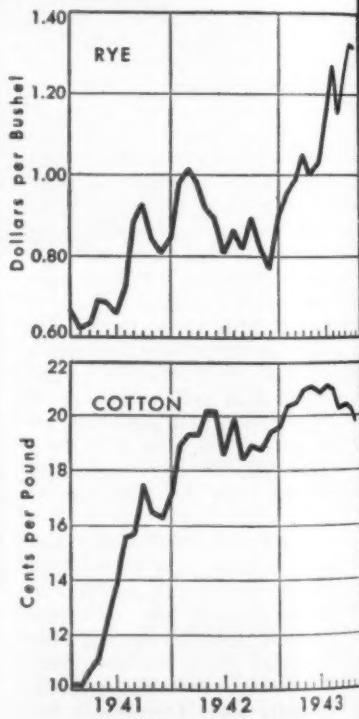
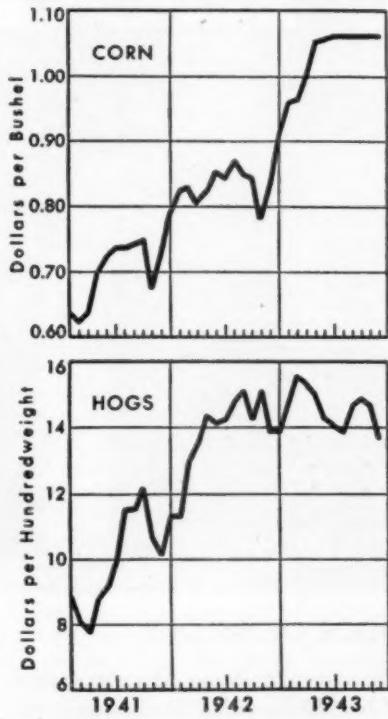
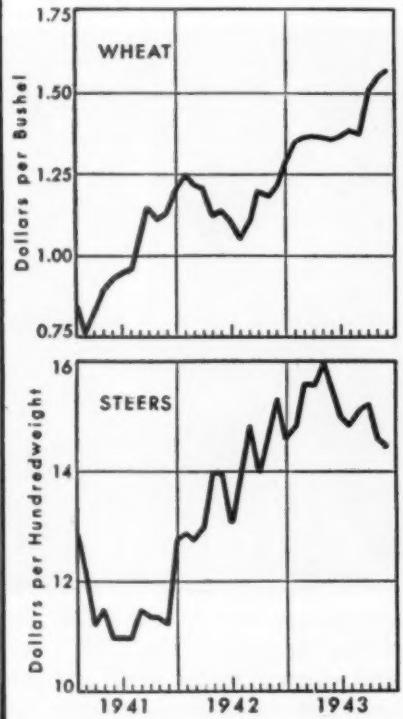
Operations since have been at 100% of rated capacity—just under 1,000,000 tons a year—and the steel expansion program, slowed down by pressure of other more urgent construction, hasn't yet been completed.

So in theory, steel production can keep moving higher and higher until mid-1944. Practically, the October peak may be the all-time peak, or might close to it, until and unless there is a postwar boom, because WPB is likely to push steel production too far ahead of military and stripped-down civilian requirements.

• **Difficult to Balance**—And, while industrial capacity has outrun the first level of fabricating facilities, it's getting too high in the war to begin building, making, for balancing purposes, more bloom mills, slab mills, and rolling mills. Nobody could guarantee that such construction would achieve a perfect balance in view of manpower and other complications.

Last calculation of steelmaking capacity in the United States, by the Institute, rated it at 90,881,210 annual tons. The more optimistic members of the industry say that, during the first quarter of next year, weekly operations will be about on the level of 91,000,000 tons, or slightly above the October peak's record, but they don't expect

FARM PRICES—CRUX OF THE SUBSIDY FIGHT



Data: Bureau of Labor Statistics

it climb much higher than that.

Civilians—Recent trade reports said 500,000 tons of excess steel inventories, caused by changes in tank, hull casing, and other war programs, had been tabulated by one regional WPB office. Alloy steels (BW-Nov. 20 '43) have been in such good supply that current demand is reported about 10,000 tons monthly below peak demand last spring, and electric furnaces are hungry for orders.

WPB hasn't yet opened any floodgates of civilian steel, but some recent lifting of restrictions that most irritated the buying public may be significant for the near future. Knives, forks, and spoons now may be manufactured from remelted distressed steel. Axe supporters, hooks and eyes, and hardware hooks, steel buckles, and steel buttons are off the restricted list. Posts for snow fences can be made long enough to be useful. Hairpins and bob pins, formerly restricted to 25% of manufacturers' 1941 base period, have a new 58% quota. Restrictions on such items as dental chairs and equipment have been removed.

Where It All Goes—Industry figures that show where the steel is going are expressed in combinations that conceal military tonnages. But to give a rough idea where steel was used in a fairly prosperous prewar period, the first nine months of 1937, compared with the first nine months of this war year, these figures were compiled from Institute records (figures in thousands of tons):

Product	1943		1937	
	(9 mo.)	%	(9 mo.)	%
Plates	9,561	19.2	2,920	8.1
Sheets	6,413	12.9	7,049	19.6
Merchant Bars	5,328	10.7	3,633	10.1
Wire and Tubing	4,421	8.9	3,211	8.9
Structural Shapes	2,830	5.7	2,408	6.7
Steel Bars	2,653	5.3	742	2.1
Strip Steel	2,027	4.1	2,677	7.4
Plate	1,690	3.4	2,175	6.1
Wire	1,487	3.0	1,132	3.2
Standard Rails	1,386	2.8	1,238	3.4
Old Finished Cars	1,318	2.6	611	1.7
Concrete Reinforcing Bars	384	0.8	749	2.1

Buying Habits Change—Just as plates were the leading item in any current table of steel uses so shipbuilding leads the list of steel users among industries, having displaced automobile manufacturers. Some of the other things the war has done to industrial steel buying habits are brought out in the following comparison of shipments to industries for September of this year with the average shipments for the year 1940.

Industry	Sept. 1943	Year 1940
	(%)	(%)
Miscellaneous and Export	23.0	22.4
Shipbuilding	19.0	2.0
Distributed Through Jobbers	12.0	14.5
Steel Converters and Processors	9.0	6.4
Railroads	8.0	8.3
Construction	7.0	10.8
Containers	6.0	6.6
Industrial Machinery	4.0	4.1



MEN AT WORK

Final settlement of the long and costly coal dispute rests now with (left to right) R. L. Ireland, Hanna Coal Co. president and spokesman for northern Appalachian operators; Morris L. Cooke, former director of the Rural Electrification Administration

and chairman of the National War Labor Board's original coal panel; and Thomas Kennedy, secretary-treasurer of the United Mine Workers (BW-Nov. 20 '43, p. 19). The three make up a Presidential committee drafted to study portal-to-portal phases of the wage settlement and strike a nationwide average for travel time.

Patents Attacked

Justice Dept. resumes its battle against domestic trusts, foreign cartels, and the patents which support them.

Control of the use of patents has become the keystone of a renewed Dept. of Justice campaign against domestic monopolies and foreign cartels. Already curbed by war-imposed restrictions on prosecution of companies engaged in important military production, the department's antitrust activities lagged during the few months that Tom C. Clark headed the Antitrust Division.

• **Turning on Chemicals**—With the naming of Wendell Berge as Assistant Attorney General in charge of the Antitrust Division, the department is starting a new series of cases, particularly in the chemical field, designed to force U. S. companies to fight for their share of the markets on the basis of free competition both at home and abroad.

Along with this campaign, Justice Dept. antitrust lawyers are picking up where Thurman Arnold left off, when he was "kicked up stairs" to the District of Columbia Court of Appeals, as the leading advocates of patent reform legislation on Capitol Hill.

• **Free Licensing?**—Thus far, Berge has been the main witness to testify in the



SAFETY SUIT

Battle Suit No. 3 is the Navy designation for its new action uniform which guards sailors against shrapnel, explosions, flash burns, and drowning. Kapok ribs in the poplin coverall protect vital organs and repel the flashes that cause one-third of all Navy casualties. A flat pack that hooks on the back contains a tiny life raft. In abandoning ship, its wearer merely pulls the rip cord and he winds up afloat on his back. The raft and suit combined weigh about eight pounds.

Senate subcommittee hearings on the Kilgore bill—a measure to set up a government bureau to mobilize the nation's scientific research. Opponents of the measure charge that it would stifle private research and that it would destroy the patent system by its provisions calling for free licensing of all discoveries resulting from this research.

Privately admitting that the Kilgore bill doesn't have a serious chance of enactment in this Congress, antitrust men are using the hearings as a publicity forum for keeping their story before the public.

• **Reform Sails Trimmed**—Actually, Justice Dept. patent reformers have trimmed their sails considerably, no longer hoping for enactment of a six-point program (BW—Jul. 23 '39, p15) previously recommended by Arnold and the Temporary National Economic Committee. Basis of this program would have been the compulsory licensing of all patents under certain circumstances.

Instead of this, the patent reform group has lined up behind the so-called Lucas bill which provides in effect that a patent cannot be used to dominate any market beyond the limited extent

of the legal monopoly actually granted by the patent itself.

• **Limited Application**—Here is the way this would work out: If a man has a patent on a certain screw used in the manufacture of eyeglasses, he could exercise his legal monopoly only as long as it is confined to the manufacture and sale of the screw itself. If he seeks to use his patent to dominate the whole field of manufacturing and selling eyeglasses, he would find himself in violation of the antitrust laws.

In addition, if the screw is so important that the manufacture of eyeglasses would become virtually impossible without permission to buy and use the part, the patent holder probably would have to issue licenses freely in order to prevent his patent from dominating the market.

• **Courts Would Have Job**—In the final analysis, the phrase "domination of the market" would be subject to judicial determination on the basis of the facts in each case in the same manner that the existence of a monopoly is now determined.

In reality, antitrust men say, the Lucas bill merely would write into statutory law an extension of the principle enunciated by the Supreme Court several years ago in the Morton Salt case.

By refusing to uphold an infringement suit started by Morton against another company, the court, in effect, condemned the attempt to control unpatented supplies used either with, or necessary in the practice of, the patented invention.

• **Abuse Thwarted**—Later, according to antitrust men, the court extended the scope of this rule in its Univis Lens decision which held that any attempt to enlarge the monopolized domain beyond the statutory grant loses for the patentee all right to enforce his franchise until the abuse of the patent has been stopped.

On the basis of these two decisions, Justice Dept. men take the view that use of a patent to violate the antitrust laws represents an abuse of the monopoly granted in the patent and forecloses the patentee from enforcing his limited monopoly right.

• **Cartel Registration**—In addition to the Lucas bill, antitrust men favor enactment of the O'Mahoney bill requiring the registration of all cartel or international agreements.

Reason for all the emphasis on patents is that antitrust men feel the patent has become the latest primary vehicle used by business to support domestic monopolies or foreign cartels. They point out that the organization of trusts was the original vehicle for monopoly, but since this device has been eliminated, monopolists have turned to patents, and even trademarks in some cases.

• **Fear I.G.F. Retaliation**—In support of the contention that some once-aggressive U. S. business firms have had been of the arteries and would rather enter an agreement providing for a restricted market than fight for an increasing share, antitrust men cite where powerful American chemical companies have been reluctant to enter Latin-American markets protected by cartels in prewar days in the fear that after the war the German combine, I. G. Farbenindustrie, may

taliate. Both VLB willow san Christm employer year are uses again stabilizat of cur out nev don't f al Co empl the gen of wag ded betw ence ar d. On nces g t mesh. Conse quen has out er may for p for the subje like re the Gen al Rev NWE ns tha cases 300 a y

The joint activities of the Antitrust Division and the Alien Property Custodian have almost completely wiped out cartel agreements with I.G.F., the surface hasn't been scratched with regard to the cartels existing in Allied countries, some of which have at least the quasi-official blessings of the home governments.

• **Freedom of Starvation**—This raises the question of the position of U. S. business, forced by the Justice Dept. to fight its battles for world markets single-handed against competition from business located in countries which have partially or completely government-controlled economies, primarily the countries which are U. S. partners under the Moscow pact. The policy of forcing "free enterprise" on American business can be carried to the point of starving it to death in some lines.

Advocates of vigorous antitrust action are reluctant to discuss this situation and turn off these questions with statements to the effect that they are matters to be solved at the peace table and the postwar era by the State Dept. and others handling foreign policy.

• **APC More Objective**—Cognizant of these implications—the existence of British tin cartel, for example, or of Dutch quinine monopoly—the Alien Property Custodian is somewhat more objective about the matter of cartels than the crusaders in the Justice Dept. APC men say they are opposed to cartels in general, but add that they do not want to smash a cartel merely for the sake of smashing something, particularly when this action might not result in a benefit either to U. S. business or to consumers.

In furthering this policy, the APC claims it has been careful to protect private U. S. business rights in patents seized from enemy nationals. Thus far the APC has seized 36,000 patents and 5,000 patent applications. Where there are no U. S. licensees under a seized patent, APC will grant royalty-free licenses for the life of the patent to any responsible U. S. company.

• **There's an Alternative**—Where a U. S. company already has an exclusive license under a seized patent, the APC will continue that license and collect the royalty fees; or, it will offer the licensee the alternative of giving up his exclusive right in return for a royalty-free license.

Bonuses Are O.K.

Both Internal Revenue and NWLB will allow employers to follow same policy as last year Christmas payments.

Employers who played Santa Claus this year are eligible to pay Christmas bonuses again this year. Wage and salary stabilization regulations permit payment of customary bonuses, but they ban new ones and forbid increases if they don't follow an approved plan.

Control Mixup—As a good many employers are discovering, however, the generalization is an over-simplification. Regulation of bonuses, like the of wage and salary stabilization, is divided between the Bureau of Internal Revenue and the National War Labor Board. On general policy, the two agencies go along together, but they don't mesh on details.

Consequently, an employer who wants to pass out some negotiable Christmas bonuses may have to follow one set of rules for part of his staff and another for the rest. Incidentally, bonuses subject to the 20% withholding tax are like regular wages.

The General Division—In theory, Internal Revenue handles salaries, and NWLB wages. Practically, this means that the bureau gets almost all cases involving compensation over \$200 a year. NWLB covers the field

below \$5,000 except for a few groups of professional or administrative employees not represented by a union.

According to NWLB rules, an employer can put a cash value on his Christmas goodwill if the bonuses are not greater than the dollar amount that he paid in the previous year, or if they are computed on the same percentage basis.

• **How the Rules Work**—This means that if an employer paid a flat bonus of \$100 to a worker in 1942, he can pay up to \$100 this year without asking NWLB's approval. If last year's bonus was figured as a percentage of profits, the employer can pay the same percentage this Christmas even though it results in the employee's receiving a larger dollar amount.

Employers who paid no bonuses in 1942 can't get on the bandwagon now unless they were following an established bonus policy which for one reason or another figured out to zero last year.

• **Some Exceptions**—Some companies, for example, gave workers a percentage of profits above a certain amount. If an employer working on this basis had a thin time in 1942 and earned no profits above the minimum, that wouldn't stop him from paying a bonus this year provided he continued to abide by the old plan.

An employer who qualifies under NWLB's general rule can go ahead and hand out bonus checks without asking previous approval. All others have to apply for special permission, using the

same procedure that applies to proposed wage adjustments. In some cases, NWLB will approve these special requests, but it has to be shown that failure to pay the bonus "would be manifestly unjust to the employees involved."

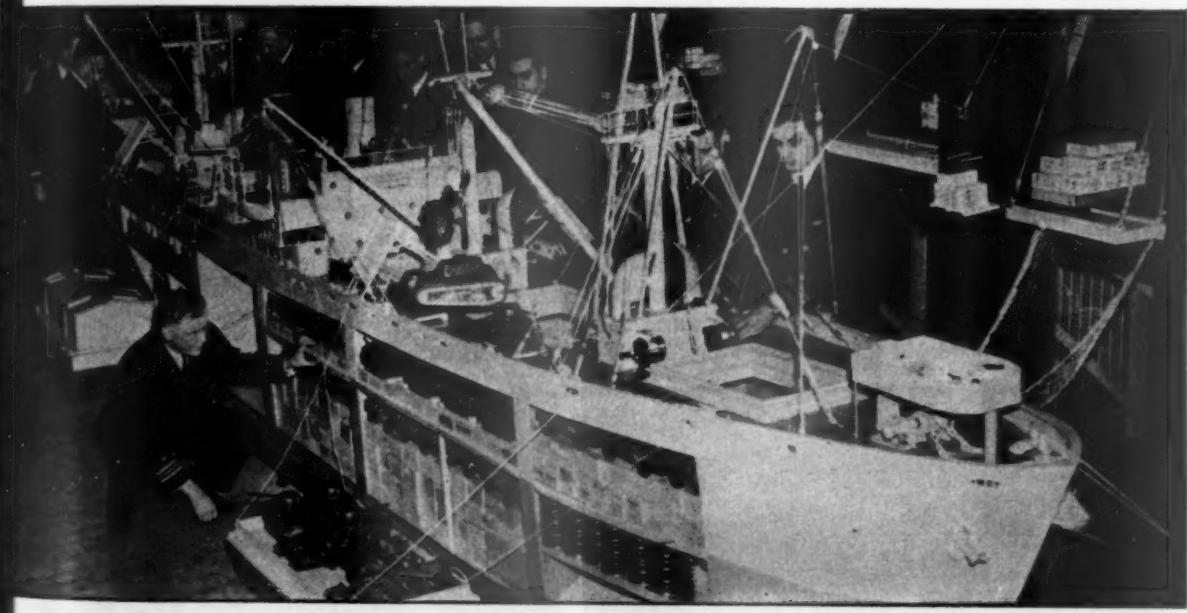
• **The Bureau's Policy**—Last Christmas, the Bureau of Internal Revenue was following a set of rules very similar to NWLB's, but since then it has worked out a more complicated system. This week, it boiled its policy down to four basic cases:

(1) If an employee's base salary has not been increased since stabilization went into effect, he may receive as a bonus either the dollar amount paid in 1941 or the dollar amount paid in 1942 if it does not exceed 50% of the base salary.

(2) If an employee's base salary has increased, he may be paid a bonus equal to the dollar amount of his bonus in 1942, provided it does not exceed 20% of his present base salary.

(3) If the employer has an established policy of paying a bonus based on a percentage of base salary, his employees may receive the customary percentage this year regardless of dollar amount and regardless of whether or not their base salaries have increased. This applies only to a percentage of salary, not to a percentage of profits, sales, or other base.

(4) An employee may also receive a bonus this year if it does not increase his total compensation for the year by more than 15% over his 1941 compensation, provided he earned less than \$2,400 in 1941. If he was in the \$2,400 to \$4,000 bracket in 1941, the increase cannot be more than 10%. If he was in the \$4,000 to \$7,500



STEVEDORE SCHOOL

New York's Pier 59, naval officers teach the art of cargo handling by loading and unloading a 27-ft. scale-model Liberty ship with toys. The

unique school is operated by the T. Hogan & Sons stevedoring firm and the United States Lines as a civilian contribution to the Navy. With its port side cut away to show cargo holds, the model is complete in every

detail of deck equipment. Reels from fishing tackle serve as winches which raise or lower the cargo of toys and small boxes of cereal that simulate packaged shipments. About 1,000 Navy men have completed the course.

group, a 5% jump is the limit. Employees earning more than \$7,500 are not eligible for bonuses under this rule.

• **Most Favorable Rule**—If an employee is qualified under one of these rules, he can receive a bonus without prior approval by Internal Revenue—assuming, of course, that his employer will pay it. If he comes under two rules, he can take advantage of whichever gives him the larger amount. Like the NWLB, the Bureau of Internal Revenue will take care of appeals for special permission to give bonuses through its regional offices.

Incidentally, the rule covering bonuses also apply to gifts of merchandise, but nobody is very clear on how they can be enforced. NWLB and Internal Revenue aren't sure what they will do if an employer who gave his staff 12-lb. turkeys last year jumps to 15-lb. birds this Christmas.

Looking Ahead

New England Council, accenting postwar employment, asks Washington: "Tell us what to do; leave us alone to do it."

With the request that the government show New England what to do, then leave the area free to do it, Edward E. Chase, New England Council president and chairman of the annual council conference which met in Boston last week, announced a theme which was carried through the two-day session.

• **Study of Conditions Urged**—The representatives of 200 New England industrial and agricultural organizations, who gathered at the Hotel Statler last Thursday and Friday, were given a

look at national and international conditions. They listened to warnings the war has not been won, that many shows no signs of defeat, that must give serious study to conditions in the East.

But no one lost sight of the traditional desire of the New Englander to figure things out for himself, to things his own way with neither much help nor too much hindrance from the government. No. 1 concern of the busy council meeting was war planning—to which many a speaker added an urgent "now." Conse-

(1) Postwar employment should be concern of an entire community, particularly of industry; (2) it should be a current, not a future, concern.

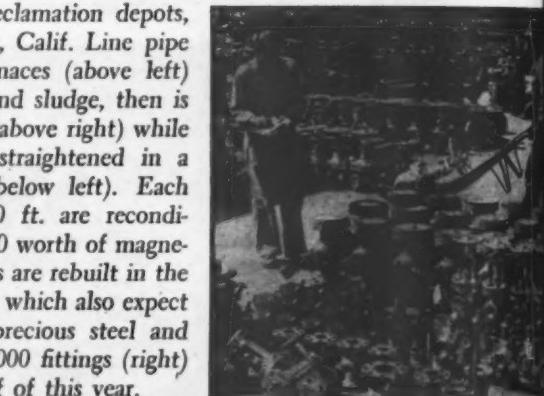
• **The Road Back**—Said Carl A. O'Connor, chairman of the Connecticut Reemployment Commission and president of the Grenby Mfg. Co., Plainville, Conn.



STANDARD'S FIX-IT FACTORY

Industrial salvage is no novelty to Standard Oil of California, but spurred by war needs, its new-from-old labors are now netting savings of upward of \$1,000,000 a year—in addition to short-circuiting material shortages, priority tangles, and transportation delays. Begun in 1931, reclamation operations shifted into high gear after Pearl Harbor. Now, from old wells, pipelines, and even junk piles come encrusted, charred materials into the

company's three reclamation depots, the largest at Taft, Calif. Line pipe first goes into furnaces (above left) to burn off scale and sludge, then is sandblasted clean (above right) while bent lengths are straightened in a pneumatic press (below left). Each week about 24,000 ft. are reconditioned, while \$4,000 worth of magneto and instruments are rebuilt in the shops (below right) which also expect to reclaim 7,000 precious steel and brass valves and 9,000 fittings (right) during the last half of this year.



Passing the Ammunition...

10,000 Miles!



In this war of distance and movement, ammunition must be transported far and fast.

In a day's combat, a single anti-aircraft gun may use more than a ton of ammunition; an infantry division on a global fighting front may expend 300 tons of ammunition.

What kind of ammunition? How much ammunition? Where does it go? When must it get there? The answers to these questions must be written in figures.

Figures that flow through arsenals, war production plants, transportation and supply lines, and government offices.

Figures that must be accurate and obtained quickly, because guesswork and errors might have to be paid for with lives.

That thousands of the machines providing these figures are Burroughs machines is only logical, for Burroughs has long predominated wherever fast, accurate figuring is required.

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICH.



Norden Bombsights

Years of experience in precision manufacturing enabled Burroughs to render an extremely important service to the nation by producing and delivering the famous Norden bombsight — one of the most important and precise instruments used in modern warfare.

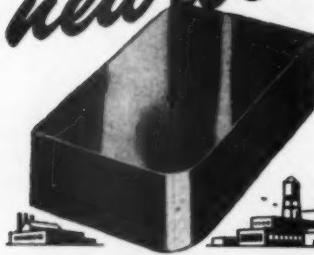
New figuring and accounting machines are also produced by Burroughs for the Army, Navy, U. S. Government and other enterprises whose needs are approved by the War Production Board.

* BUY MORE WAR BONDS *

Burroughs

ACCOUNTING AND STATISTICAL MACHINES • NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES

Industry's new tooth



...is sharpened with
DI-MET
DIAMOND ABRASIVE WHEELS



Not so many years ago high speed steel almost universally supplanted carbon steels for cutting tools. Now industry has new cutting teeth far more efficient and productive than even the "high speed" tools. Due to their extreme hardness, cemented carbides successfully machine all types of metals with a speed and efficiency never before attained. In fact, their hardness almost demands the use of diamond wheels to quickly and accurately grind the keen, smooth cutting edges so vital to high production. DI-MET resinoid bonded diamond abrasive wheels were specially developed for carbide applications. Their super-tough, wear-resistant resinoid bond cuts fast and cool, resists severe abuse without cracking or chipping and will not craze the carbide surfaces. Smooth, finished cutting edges are easily obtained without subsequent honing and, because DI-MET wheels maintain their size over long periods, accurate sizing of multiple toothed cutters is automatically produced without individual gauging of the separate teeth.

DI-MET wheels are highly economical on all carbide applications because of their extra long life, rapid metal removing ability and more accurate grinding results. DI-MET resinoid bonded diamond abrasive wheels are made in all standard

types and sizes up to end including 6" in diameter. Our new catalog illustrates types, lists sizes and prices and offers valuable diamond wheel operating tips. Write for your free copy.



Folker
MANUFACTURING COMPANY
1112 Border Street, Torrance, California
Manufacturers of
DIAMOND ABRASIVE WHEELS

"If a country can take a man from a job or from school, train him at great expense over a period of many months, and equip him with the best to muster him into military service, then that same country must have the imagination and the courage and the willingness to do the same thing in mustering him back to civilian life."

Nathan Tufts, president of the New England Box Co., Greenfield, Mass., declared that New England business must either accept postwar planning and preparedness work, guided by self-preservation, "or we will turn our business over to government management."

• **"Federalitis" Denounced**—Rep. Hatton W. Summers of Texas denounced "federalitis" and a "government colossus utterly beyond human comprehension or democratic control." Harvard Business School's dean, Donald K. David, a champion of "free enterprise," reminded his audience that true national welfare demands "daring to take risks."

Postwar planning on an international scale means the end of isolationism and a national policy of cooperation, said Walter Lippman and Adm. William H Standley, former U. S. Ambassador to Russia, discussing the Moscow conference.

• **Production Shift Deplored**—"Misdirected shifting of war production" to nonindustrial sections of the country worried Socialist Mayor Jasper McLevy of Bridgeport, Conn.

Chase warned the council that New England must not abandon its regional interests to "raiders" trying to capture its industries, still bleeding from the industrial wounds the area sustained

when a large part of its textile industry moved south in the 'thirties. • **Accomplishments Praised**—The council patted itself on the back for:

(1) An apple crop almost normal of the national shortage.

(2) The expansion of New England's poultry industry, which has exceeded every goal set for it by the Agriculture.

(3) The growth in assets and equipment of the food processing industries, largely dehydration.

(4) Electrification of farms, where New England includes more than 70 percent of the nation as a whole.

(5) A surplus of potatoes.

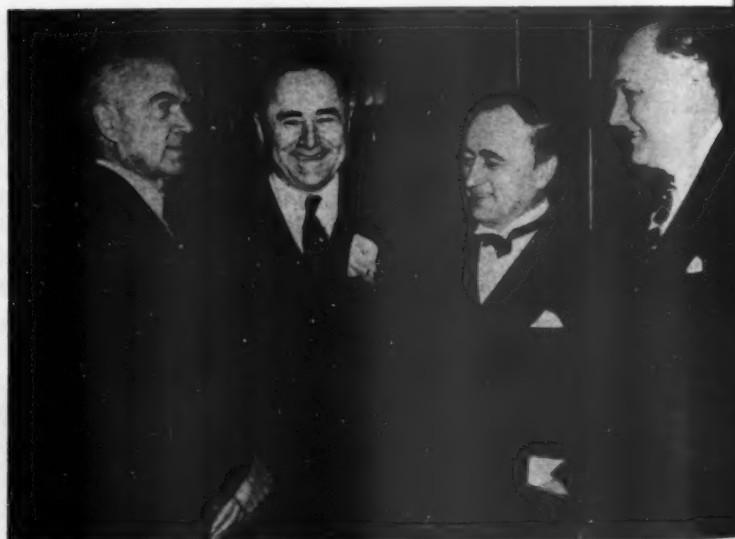
(6) Vegetable production saving of 15,000 to 20,000 refrigerator cars.

N. Y. Realty Act

Both fear of inflation, tax deduction possibilities factors in trading, prices to be holding steady.

The New York real estate market is shaking off its postboom apathy and been stirred to activity the last few weeks. Back of the excitement, however, seems to be a fear of inflation and that solid earth and buildings will increase in value if money deteriorates.

Another buying impulse is the opportunity for property owners' associations that can pull down large amounts from the more agonizing tax bills. Insurance companies, savings and other owners of large metropolitan areas are feeding their properties to



Free enterprise in postwar planning was the theme of the New England Council's second war conference, which was held in Boston last week. Keynote speakers included (left to

right) Rep. Hatton W. Summers of Texas; Edward E. Chase, co-president, Matthew Woll, AIA vice-president, and Donald K. David, a Harvard University dean.

Suggestions for making First Aid effective

*This room
helps protect your pay envelope!*



IF YOU SHOULD be so unfortunate as to have a serious accident on the job, you'd have no hesitation about receiving emergency treatment in the First-aid Room.

But have you ever stopped to think that it may be just as important to have even the very small, "every day" injuries treated promptly?

The danger in small injuries lies in

their very smallness. You "laugh them off." Yet, even a little scratch or cut or blister can lead to serious infection. You can't "laugh off" blood poisoning!

Protect your health, happiness and earning power by visiting the First-aid Room for every injury, *no matter how small*. It is not a sign of weakness. It is a sign of intelligent foresight.

Don't let a little injury become a big one!

The message reproduced on this page may prove particularly useful to your employees and your company. Enlarged copies are available upon request for employees' bulletin boards.

If you operate a smaller plant or do not have a First-aid

Room, Metropolitan will gladly send you a helpful booklet, "First-aid Service in Small Industrial Plants." It discusses economical methods of constructing, equipping and manning a small first-aid room. It also summarizes the principal state laws and codes governing first aid.

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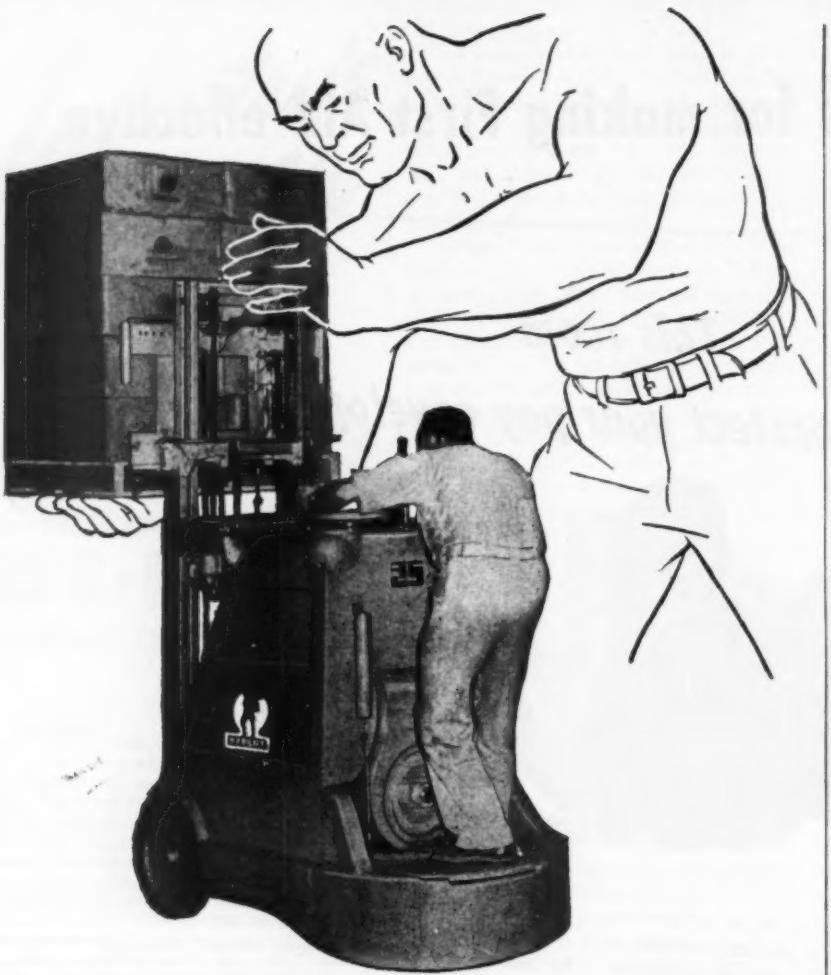
**Metropolitan Life
Insurance Company**
(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT



1 MADISON AVENUE, NEW YORK 10, N. Y.



TAKE A LOOK AT Tomorrow Today!

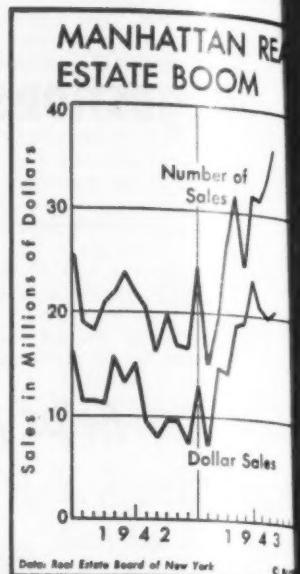
You can have a preview of tomorrow's materials handling methods, today... in army warehouses all over the world. Moving supplies for our armed forces has been the biggest transportation job of all time. It has proved one thing, the all-around efficiency and versatility of the light lift truck.

That is why you will find a fleet of Mobilifts in practically every army warehouse, lifting, carrying, stacking and loading materials for the front. Recently we have had a limited number of these machines available for essential industries. Study Mobilift's possibilities! Plan now to speed up your own interior transportation system with these versatile light weight lift trucks.

MOBILIFT

Moves Materials like a Giant!

VAUGHAN MOTOR COMPANY • 835 S.E. Main St. Portland 14, Oregon
Sales Offices: 370 West 35th St. New York 1, N.Y. — 2430 South Parkway, Chicago 16, Ill.



September real estate sales in New York's Borough of Manhattan were more numerous than in any year since the Real Estate Board of New York started keeping records years ago. Total money changing hands in these transactions, however, was less than last July, a fact accounted for in part by the decline in the ratio of sales per assessed valuation which has been apparent ever since 1938.

ulators and investors at a rate being readily absorbed.

• Nine-Month Figures—The Real Estate Board of New York figures measure of the trading. For September, there were 364 bona fide sales in Manhattan totaling \$20,729,000. In September, 1942, there were 190 sales totaling \$9,840,000. For the first nine months this year, there were 1,835 Manhattan sales, totaling \$160,586,000, against 1,835 last year, totaling \$86,000 in the same period.

Transactions for the first three quarters of 1943 were greater than for the full year since the board began keeping its present record forms seven years ago.

Figures also indicate the extent to which savings banks and insurance companies are shedding properties. Properties have bounced back in their laps through surrender or foreclosure on most occasions. During September, such lending institutions got rid of 119 Manhattan properties for \$8,442,000. However, the majority of these sales were made by speculators and dealers. They sold 245 pieces of property for \$12,286,000.

• Prices Not Excitable—The Real Estate Board points out that all the excitement failed to raise values. Prices were only 62.4% of assessed valuations for the first nine months of 1943, registered

RE
M
of
160
Sales
1 4 3
C A U
Empty Acreage Left—This last migration has been an important factor in filling up vacancies in the gilded office buildings constructed during the late 1920's. So great was the slump in the cities, especially in the stricken canyons of Wall Street, that prime office rentals have not risen in price despite occupancy figures and the current shifting of ownership. There is still enough empty acreage to give the space over a slight edge. Another deterrent price boost is legislation pending in Congress which threatens ceilings for commercial rentals.

Just the same, the speculation increases sales of these boom babies. One is the 35-story Commerce building, in the Grand Central zone. It was bought a few weeks ago by one J. L. Bass for an unstated sum, "as an investment."

Hotels Earn Dividends—Hotels, once heavy burdens on lending company assets, are doing such a roaring war business that they aren't being unloaded. And these too are embraced by the wave of buying. One of the biggest deals was of the famous old Plaza, still a favorite habitation for multimillionaire playboys. It was bought by C. N. Hill and associates of El Paso from the S. Realty & Improvement Co., for a reported \$7,400,000.

The comeback in middle class earnings has made apartment houses with medium rentals desirable once more. There remains a heavy frost on luxury rates. Douglas Elliman, a leading renter in this trade, reports an extreme case of multifloor apartment that rented for \$10,000 to \$24,000 a year from 1926 to 1936. Thereafter the rental took a dive, ending as low as \$6,000 a year.

Vincent Astor had one Park Avenue building whose units were 18 rooms and baths, one apartment to the floor. Total rentals of \$18,000 a year in the

Business Week • November 27, 1943

this is the
GLASS-LINED HEART
of America's new Rubber Industry



This is a Pfaudler Glass-Lined Steel Reaction Kettle. Into equipment such as this flows the butadiene, styrene and other chemicals which are the components of synthetic rubber. Inside the reactor, protected by Pfaudler Glass Lining and equipped with powerful mixers, they combine and become latex.

Pfaudler also supplied all of the glass-lined "flash" and "vacuum flash" tanks, in which unconverted butadiene is recovered, as well as catalyst and other special equipment. More than 90% of the synthetic rubber that keeps America's wheels rolling is produced in this manner in Pfaudler Glass-Lined Steel.

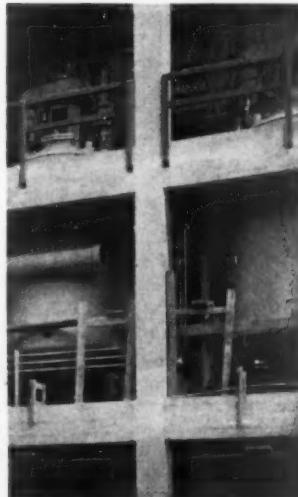
the "heat was on"... BUT THEY HAD TO KEEP COOL

This was a problem that Pfaudler Engineers solved. Heat is generated in the production of synthetic latex and it must be controlled or the product will "flash." To meet this condition, Pfaudler engineers developed an original cooling system.

if your problem is tough...

CALL ON PFAUDLER

If you are encountering difficulties with a process, or if you have a postwar project still in the thinking stage, but which looks as though it might present a problem, let's get together. The "Pfaudler Panorama," describing our work in many fields, may be of interest to you. A copy is yours for the asking. The Pfaudler Co., Rochester 4, New York.



P F A U D L E R
Engineered glass-lined and stainless steel equipment

**if you pack
in bags...**

*Here's news
of interest*

SINCE the beginning of the war there have been a number of developments in the application of Union Special machines for sewing closed the tops of filled paper or fabric bags from 1 lb. to 300 lb. size. Food producers are using completely automatic machines to close bags of grocery staples, etc.; sugar mills have installed closers capable of handling either jute or multi-wall paper bags whichever are available; flour and feed millers are adding versatile suspended head units for additional capacity; other plants are now using the new universal closer that accommodates all styles of Union Special sewing heads and can be used with any conveyor.

For fast, efficient packing or packaging with a minimum of labor, install Union Special Bag Closers. Write today outlining your requirements and ask for literature. UNION SPECIAL MACHINE COMPANY, 408 N. Franklin St., Chicago, Ill.

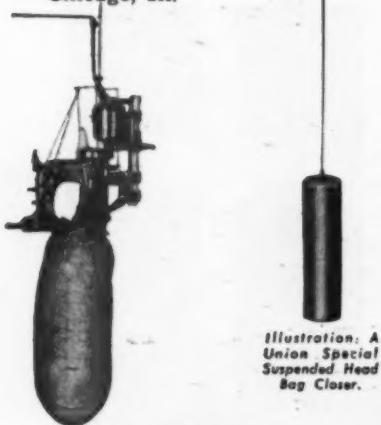


Illustration: A Union Special Suspended Head Bag Closer.

Union Special
FILLED BAG CLOSERS

good times, there was a decline to \$4,500. There is an explanation of why Astor is divesting himself of luxury holdings in Manhattan, diversifying his risks geographically as well as socially.

• **Refugees Reported Investing** — That Astor has wandered from the admonition to buy and hold on to New York property is indicated by an acquisition in Corpus Christi, Tex. There Astor bought last month a building occupied by a Lerner dress shop, for a reported price of \$180,000. Some of the buying in New York is reported to be investments by European refugees who got their capital out before Hitler struck.

These escapers are unpopular with established New York real estate interests, who say the typical refugee buyer's first move is to cut down the service staff and raise rentals.

• **Income Tax Factor** — Various tax deduction allowances make real estate attractive to the person with a large income, and capital. In the case of a vacant lot, he can make the purchase for a relatively small down payment and a mortgage. Property taxes and interest can be charged off against income levies, thus bring the owner to lower income brackets.

It works the same way with improved property. An investor buys an apartment building that isn't showing a profit. He takes an apartment in the building and operates it himself. Losses in operation, taxes, depreciation, and interest on the mortgage are deductible before his net income is established for tax purposes. Here again the charge-offs save him

money by getting him the benefit of lower tax brackets.

All this furnishes a welcome outlet for institutions that have suffered from indigestion of real estate since engaged properties began loading the crows in the early thirties. The buyer makes a cash down payment and given a purchase money mortgage to the seller to cover the remainder of the price. Formerly you could sometimes buy from these institutions by paying down as little as 5% in cash.

Such invitations to shoe-string speculators are out now. One big insurance company has raised its requirements to 20% cash.

Congestion Eased

Committee finds much can be done to clear up shortage of housing and other facilities in war production areas.

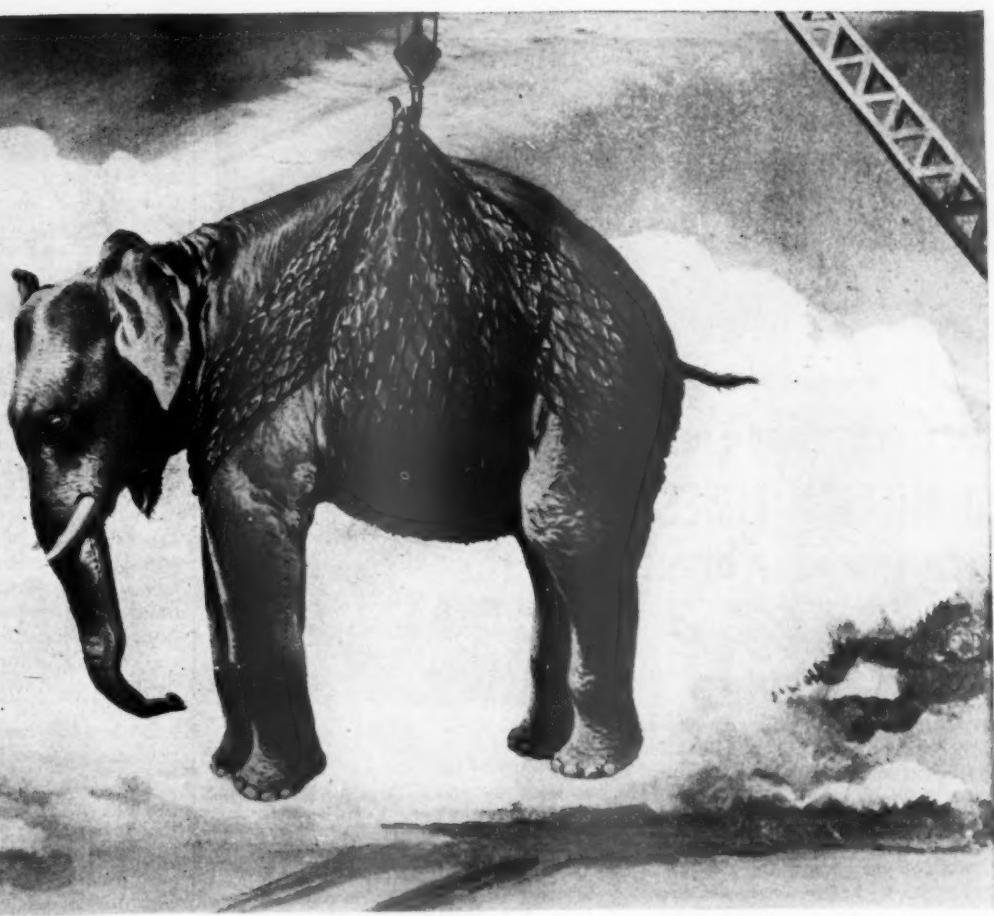
Early last spring, a subcommittee of the House Naval Affairs Committee stirred up a tempest with its investigation of living conditions in five war boom areas—Hampton Roads, Va., Newport, R. I., Portland, Me., and San Diego and the San Francisco Bay region in California. One result was the President's appointment, in April, of the Committee for Congested Production Areas, headed by Corrington Gill, former WPA deputy commissioner, as ex-



PARACYCLES

British invasion troops are practicing for serious business with tiny toylike motorcycles that fold up for parachute delivery. The miniature two-

wheelers are powered by a one-cylinder engine reported to give 180 miles per gal. and highway speeds up to 45 m.p.h. Rugged enough for cross-country riding, they are dropped in pairs inside a heavy steel cylinder (above).



The day the Navy and Army decided not to carry "elephants"

THE BATTLE of outdesigning our foes is a never-ending contest.

Work in 1940, for instance, our Navy saw that our modern ships could outwit and outrun our enemies. But it wasn't enough . . . the enemy might catch up with us . . . so our Navy kept living for further improvements.

At about the same time, a group of officers in the Army Air Forces were determined to give our Air Corps superior planes with greater speed, safety, range, and fighting ability than anything the Axis might put into the air.

Out go the "elephants"

One of the ways both groups took to achieve this goal was the decision not to carry "elephants" any more.

These "elephants" were the many electric motors and generators—hundreds of them aboard a warship—more than a score of them aboard a big bomber. If they could be redesigned as lighter, more compact, possibly higher-speed

units, the savings in weight and space would enable the Army and Navy to gain some of the advantages they sought.

But to do this called for a new kind of insulation, because smaller equipment would generate more heat . . . burn out most of the ordinary insulating materials.

Teamwork does it

Motor manufacturers were prepared. They had already completed experimental work and testing on an electrical insulation which would withstand higher temperatures . . . and take less space in the equipment.

This insulation was made of Fiberglas,* a new basic material, glass in the form of extremely strong, fine textile fibers.

With the help of Fiberglas, they were able to build smaller, lighter motors and generators . . . in some cases only half the size



of old equipment . . . but with comparable power and dependability.

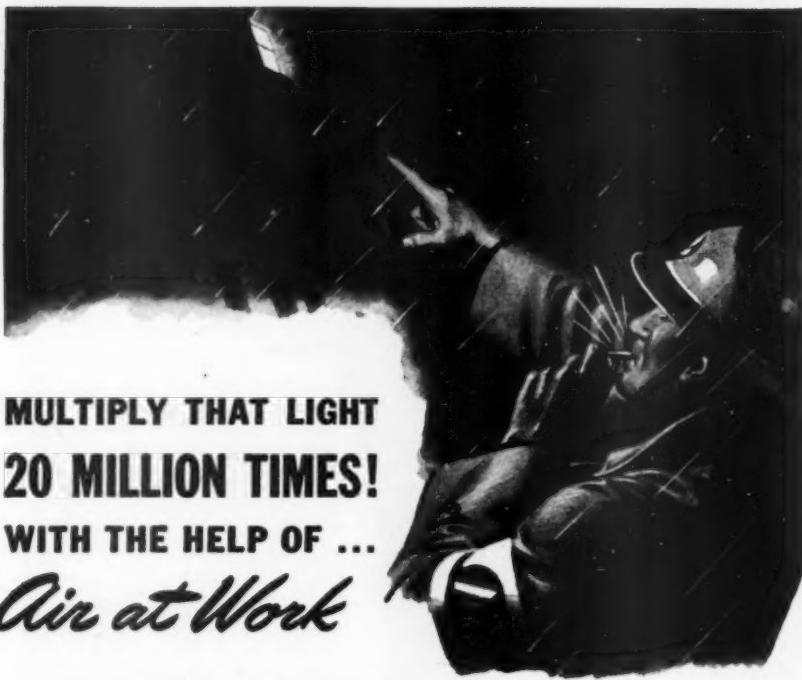
Today, Fiberglas helps make better war weapons.

Tomorrow, with peace, the advantages of Fiberglas will be well utilized wherever electrical equipment is put to work in homes or industry.

So, it's no wonder that every one at Fiberglas is doing his bit to maintain 24-hour production on this product . . . in order that our Armed Forces can depend on us for steadily increasing production to meet their many requirements. *Owens-Corning Fiberglas Corporation, Toledo 1, Ohio. In Canada, Fiberglas Canada, Ltd., Oshawa, Ontario.*

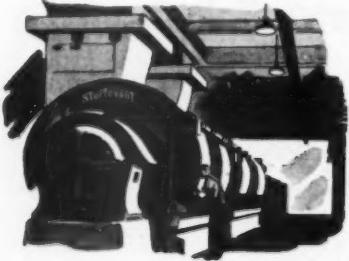
FIBERGLAS

*T. M. Reg. U. S. Pat. Off.



MULTIPLY THAT LIGHT 20 MILLION TIMES! WITH THE HELP OF ... *Air at Work*

HOW MUCH LIGHT to bring this city of nearly 8 million people back to life after the all-clear sounds? Engineers use megawatts (millions of watts) for a job of addition like that and total it at 800—or the equivalent of 20 million forty watt bulbs! You may know the city we're talking about, but you'll never guess how much "air at work" goes into making the "juice" that keeps those millions of lamps aglow. Let's see how we got the answer...

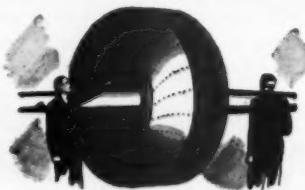


1. In five huge steam power plants, including the world's largest, every last ounce of energy is squeezed from the coal burned—by shooting great blasts of air through the fire beds of boilers—and by sucking up, through the stacks, the hot combustion gases. It takes 170 giant Sturtevant Mechanical Draft Fans like those above—some as high as 15 feet—to do this job. The world's largest draft fan installation!

HOW MUCH AIR TO GENERATE "STEAM" FOR YOUR POST-WAR PRODUCT?
Engineered AIR...to ventilate, heat, convey, control dust and fumes, or burn fuel more economically...will make the difference between profit and loss for many a post-war venture. Sturtevant is ready to work with you or your post-war planning committee to start solving these "engineered air" problems now.

B. F. STURTEVANT COMPANY
Hyde Park • Boston 36, Mass.

2. Inside those fans are giant wheels like the one shown, weighing up to 3 tons. Set each wheel spinning at tip speeds up to 4½ miles a minute and you have an idea of the rugged construction and super-hurricane air velocities required.



3. Now, total all the air and gas that Sturtevant Fans handle to generate 800 megawatts and it comes to 13,700 tons every hour! Add to the electric light load the countless motors and other vital war working machines using electric power and you will see why it is necessary to have generating equipment and mechanical draft fans with capacities several times greater than these figures.



Sturtevant
BOSTON 36, MASS.
Puts Air to Work

ecutive director (BW-May 15 '43).
• **Praise From Subcommittee**—Reporting back on CCPA's accomplishments the congressmen have this to say: "The subcommittee is particularly anxious to pay tribute to the excellent 'team' assistance of the President's Committee on Congested Production Areas. This operative 'team' effort of the legislative and executive departments of the government is refreshingly unique.... The objectives of 90% of our recommendations have been accomplished or being accomplished."

Coming from a group of congressmen, in praise of a government bureau, this language is unfamiliar indeed.

• **Other Phenomena**—Unusual, too, is the manner in which the Gill committee operates. Although the list of cities officially designated as congested has expanded to ten from two—San Francisco and Hampton Roads (BW-Jul. 31 '43 p29)—the committee is operating with only two more people on its Washington staff than it had last summer.

Total Washington personnel numbers 18 (counting secretaries and file clerk); total personnel, including area directors and their staffs in field, is less than 50.

The staff's size, and its informal method of operation, stem from the fact that it has taken literally its assignments to act as a liaison among the various government agencies which have been treading on each other's toes in congested areas—Army, Navy, Maritime Commission, National Housing Agency, War Manpower Commission, War Production Board, Federal Works Agency. All these agencies have a representative on the committee, but since the committee membership itself has bigger fish to fry, the real work is done by Gill and his staff.

• **Other Agencies Help**—In setting up the committee, the President gave it a broad grant of authority, decreeing that its decisions should be controlling upon the agencies to which they apply. The staff reports that it has seldom had to use this big stick, that it has generally found the various agencies cooperative.

One reason for this helpfulness, the staff suspects, is that Harold Smith, director of the Budget Bureau, is the committee's chairman. Smith's name carries weight with otherwise balky bureaucrats.

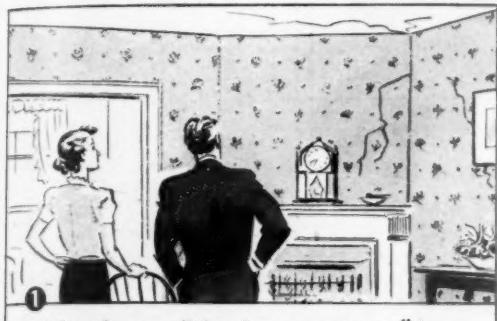
• **Local Control**—The committee considers itself unique in that members of its Washington staff like to consider themselves glorified messenger boys; the committee's area directors, who have full authority to settle all problems on the spot.

Area directors are picked for their familiarity with a locality's problems. For example, Cecil F. Bates, director for Mobile, Ala., served two and a half terms on the city's Board of Commissioners and was also city and county attorney.

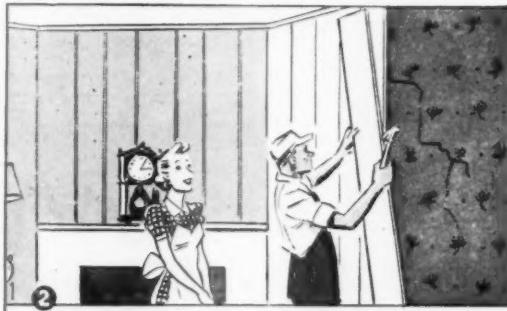
QUIZ QUESTION: What is a post-war "dream home"?



ANOTHER NATIONAL GYPSUM CONTRIBUTION TO BETTER POST-WAR LIVING



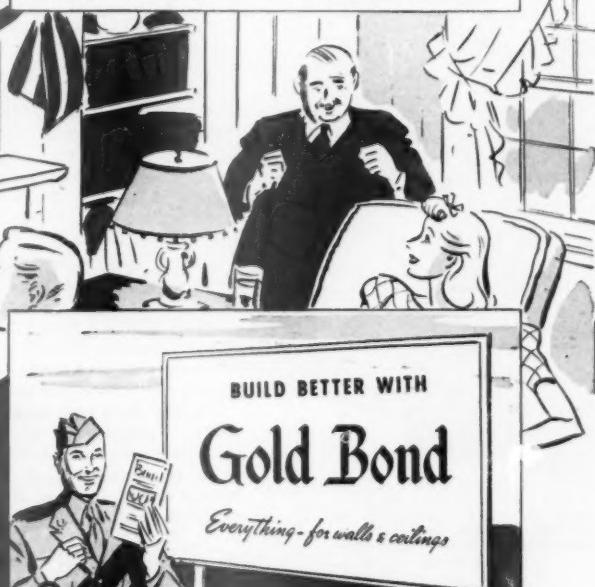
A lot of us are living in our post-war "dream homes" right now. We wouldn't move for a million! But we're going to fix 'em up after the war with new materials war has brought—sturdy Gold Bond Insulation Board for example, used in hundreds of military barracks.



This good looking product for walls and ceilings comes in many pleasing colors and surface finishes. Nails up over old cracked plaster, needs no further decoration, provides effective insulation. Lets you remodel within the smallest budget by doing over one room at a time.



Millions of homes, stores, restaurants are going to be built after the war, providing work for millions of hands. Other millions are going to be remodeled, brought up to date with Gold Bond's more than 150 wall and ceiling products from 21 plants that can reconvert to peacetime products almost overnight.



You can have a "dream home" all right after the war! It may be the one you're living in now plus a Gold Bond beauty treatment, or it may be all new. The best way is to start laying up the cash for it now—United States War Bonds! National Gypsum Company, Buffalo, New York.

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MINIMIZE FINISH MACHINING FROM DELICATE NON-FERROUS CASTINGS; LIME FOR THE MANUFACTURE OF STEEL AND MAGNESIUM.



Loaded L's Truck Body Withstands 60-Foot Plunge!



Truck at repair shop. Towing chains caused buckling of sides and roof cove. Body panels sustained little injury. None were torn.



Truck after repairs were made. Most of the Lindsay Structure materials were re-used.



The rigidity and favorable strength-weight ratio of Lindsay Structure make it equally adaptable to machine housings, buildings, refrigerated spaces, and many other applications.

—and Lindsay Structure proves its amazing strength. Even crashing through a guard rail and hurtling end-over-end down a sixty-foot wooded ravine didn't collapse this Lindsay Structure truck body. And the strength of the body was all that kept owner Joe Ross and his driver from being crushed by 21,800 pounds of truck and produce.

At the repair shop, the truck was found to be scarcely damaged. Not a single body panel had been torn or loosened from the framework. The body builder, Mr. H. E. Olson of the Twin City Manufacturing Company, St. Joseph, Michigan, said, "There is no doubt that with an ordinary wood and steel body the truck would have been a total wreck." As it was, most of the Lindsay Structure materials could be used again. Repair cost was remarkably low.

Lindsay Structure pre-tensioned steel panels provide amazing strength, save weight. In case of accident, damaged sections can easily be removed from the outside—without special tools—and replaced in a few hours.

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TEN TIGHT SPOTS

Thus far, ten areas have been marked down for the full-time attention of the committee. Congested Production Areas Others will be coming along, but not at the rate of more than one a month—which is just about fast as the committee thinks can handle them. Here's the present list:

- Puget Sound (Seattle and Bremerton, Wash.).
- Portland (Ore.)-Vancouver (Wash.).
- San Francisco Bay.
- San Diego, Calif.
- Mobile, Ala.
- Brunswick, Ga.
- Charleston, S. C.
- Hampton Roads, Va.
- Newport, R. I.
- Portland, Me.

ney. One trick is to find a man or spot who can cooperate with all national interests. Top salary for an director is \$8,000 a year.

• Immediate Prospects—CCPA is bothering now with any but the critical spots. Four cities likely to be added to its list in the near future: Evansville, Akron, Salt Lake City, Los Angeles. While other areas are expected to improve gradually, we can't cure themselves partially while the war is still going on, the committee thinks. That the West Coast will get worse before it gets better, and that it will take a major headache until the end of the war.

Though an area that once gets roughly congested is likely to stay that way, its principal problems keep changing. A few months ago, housing was a major concern. Now housing is pretty well taken care of in most localities, so the emphasis has shifted to providing facilities like schools, hospitals, sewage disposal.

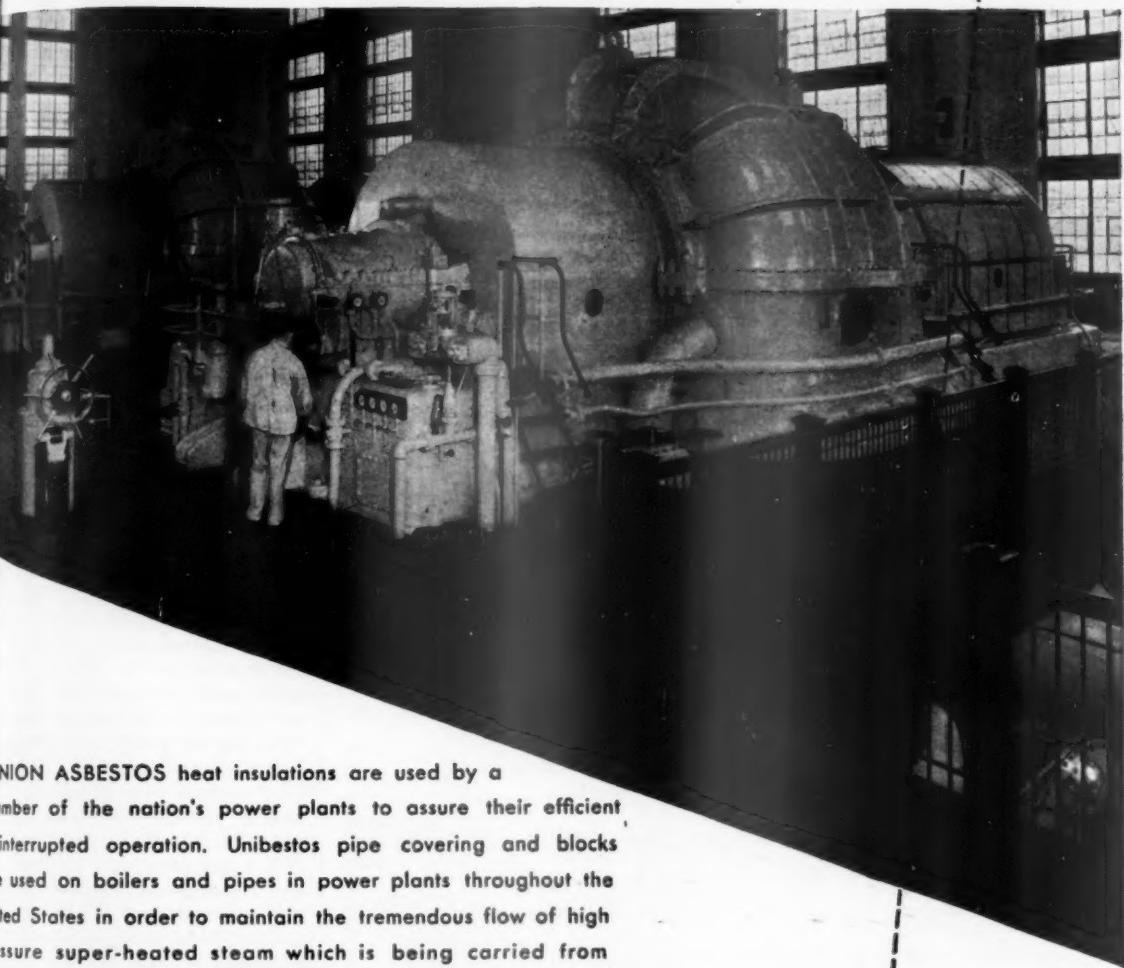
Before the war, the ratio of money spent for housing to money spent for such facilities was about 3 to 2; now it is 1 to 7.

• Problem of Fuel—One of the committee's jobs, just completed, was getting extra coal supplies into Hampton Roads to relieve an emergency shortage. CCPA's area director, Russell Hunt, found out about the shortage when shipyard operators and local representatives of National Housing Agency and Federal Public Housing Authority complained that war workers couldn't get fuel to heat their houses. District representatives of the Solid Fuels Administration provided a little coal, but not enough.

So CCPA's Washington staff direct to Solid Fuels Administra-

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A CITY WOULD GO
WITHOUT LIGHT
AND POWER!...**



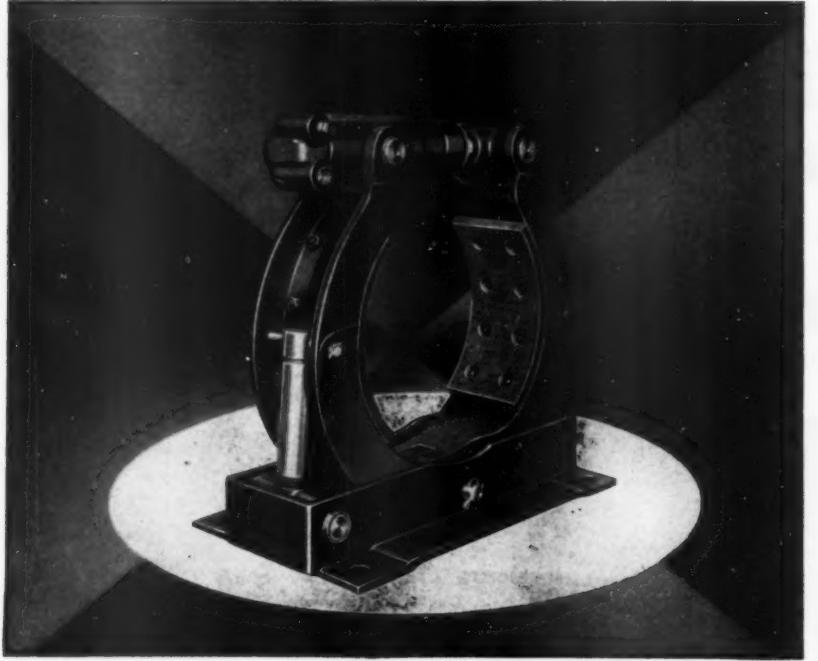
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headquarters to request directives structuring coal suppliers to take care of Hampton Roads dealers. Just as they were about to come through, the strike broke. CCPA then went to Army and Navy, got the Quartermaster Corps to release 5,000 tons from stockpiles in the area to local dealers and arranged details of transfer and payment.

• Other Typical Problems—In Portland, Me., the Navy did a rush job of building offices and officers' quarters over abandoned pier. Soon it was discovered that the pier was over the outlet to old open sewer, owned by the city.

The Navy claimed the city should move the sewer, the city said it was to the Navy. CCPA's man-on-the-spot stepped in, had cost estimates drawn up, and finally persuaded the Navy to do most of the job.

In San Francisco, the committee working on the labor shortage in retail butcher shops and packing houses. Negotiations have involved the Army and Navy (whose demands for bonded men have added to the shortage), Selective Service (which has agreed to grant deferments), WMC (which has granted hiring priorities), the National War Labor Board (which is in the throes of granting a wage increase), OPA (which will grant a price increase if NWB grants a wage increase), and the War Food Administration.

On the side, the committee has arranged a deal whereby 300 retail butchers are working in the packing plants during their off-hours.

• Incidental Troubles—In addition to trouble shooting for cities officially designated as congested areas, the committee has worked out a technique in the last few weeks for dealing informally with small communities which have only one or two serious problems, here don't require a full-time director.

For example, in Key West, N. Y. Yard workers were coming down with malaria, tuberculosis, and other sicknesses because their houses were floors with a nonwaterproof material. CCPA sent a man down, arranged for WPB to allot materials and WMC to get labor so that FPHA could build new floors.

• Change in Attitude—At the beginning of the war, most boom towns were loath to have the federal government meddling in their local affairs and would have considered the label "congested area" a smirch on their fair names. Now the committee is afraid it's going to have trouble getting some cities off from under its wing.

Early this fall, CCPA decided to consider Portland, Me., "decongested." As a first step, it withdrew its area director. Portland papers hit the ceiling, and Maine congressmen burned up the wires in Washington. The city is finally being decongested, but only after a struggle.

THE WAR—AND BUSINESS ABROAD

Valuable Lessons in Sicily

Allied Military Government, getting its first actual test in rehabilitating conquered territory, learns what to expect in banking, food supply, politics, and labor relations.

With shells screaming overhead, Axis planes darting in and out of the darkness, and escorting destroyers angrily firing toward both the shore and the overhead enemy, a little group of business men—tightly packed in a half-dozen doughty landing barges—headed off on a big adventure on the night of last Friday.

They were both British and Americans, and they were members of the Allied Military Government.

Twelve months earlier most of them had been carrying on their civilian work in New Orleans, Seattle, Liverpool, Toronto, or Sydney.

Real Thing at Last—After the invasion of Africa, Army leaders had sent a secret call for men with special training in basic peacetime operations—banking, operating public utilities, organizing civilian police forces, and administering food supplies. It was plain that, at last, the invasion of the Axis model of Europe was going to be attempted.

These men had been called to help the Army by using their special knowledge in reestablishing civilian economy in newly occupied territory.

A Place to Learn—As their landing boats pushed through the darkness toward the rugged Sicilian coast around Cefalu, these men knew that they were undertaking a task in this small island which will be the spearhead of Europe which they will be expected to repeat—with growing efficiency—in each country of Europe as it is liberated.

What AMG accomplished in Sicily during the first few weeks of the invasion, and how they tackled the job, beginning not of major importance now because they have done it all on a far greater scale, and with experienced efficiency, at Naples (BW—Nov. 13'43, p. 17).

Practical Problems—But the longer-term lessons which come from nearly five months of operations in a compact region like Sicily provide valuable guides for business at home, as well as to AMG.

AMG's financial administrators found, for instance, that the Germans, when they realized that they were not going to be able to get the bulk of the currency out of Sicily with them, ordered all of the banks to burn their

supply of paper money. Only a part of them obeyed, but this was enough to make it impossible to reopen the banks until fresh supplies arrived from countries where they were being printed.

• Carry a Bankroll—Most Sicilian banks had to remain closed for several weeks, greatly inconveniencing business. But, with this experience in mind, ample supplies of notes were on hand when the invasion of the mainland began, and in almost all of the small cities in Italy, AMG was prepared to reopen the banks in two or three days. In Naples, it took slightly longer because of the large number of banks and individual accounts that had to be examined.

This examination is made with two main objectives in mind: (1) to freeze all accounts of fascist organizations or of the former Mussolini government, and (2) to provide an audited record of the exact financial position of the banks when they came under United Nations control.

• Currency Is Accepted—Italians accepted the new military currency readily. The new notes (all printed in the United States because London reportedly lacked the necessary printing facilities) are not to be confused with the yellow-seal dollar notes which the

Army still issues to American troops throughout North Africa.

Yellow-seal notes are part of the United States currency stock and are included in Treasury statistics of silver certificates outstanding. The new lira notes are not part of the monetary stock of the United States and, presumably, will have to be redeemed by the postwar Italian government as a part of the costs of war. But yellow-seal dollars, old Italian currency, and the new military lire circulate interchangeably.

• Versatile Notes—While the notes are circulated in denominations of 1, 2, 5, 10, 50, 100, 500, and 1,000 lire, currency-minded observers noted that the basic notes were printed in colors with, simply, "Allied Military Currency" on the front and back of the notes, and with the four freedoms (in English) on the backs. Then, overprinted in black on the notes released in Italy were the denomination of the note, the series number, and one line: "Issued in Italy."

Question raised by inquiring visitors is whether or not the same notes, with suitably changed overprinting to meet the local situation, won't be used in each newly liberated territory where there may be a temporary currency shortage.

• Fearful of Runs—AMG financial advisers were confronted with another worry when they prepared to reopen the banks. Would people accept the stability of the incoming liberation government, or would they start runs on the banks?

Working in close collaboration with Sicilian bank leaders (99% of whom collaborated wholeheartedly and, according to AMG, proved to be thoroughly informed on their business), it was decided that withdrawals—except on business accounts which could be in-



Important as suppliers of food, fishermen got immediate help from the Allied Military Government in Sicily after the Nazi battle tide had ebbed.



Under Allied military rule, life is quickly returning to normal in Sicily. A Roman amphitheater that served as



a battle refuge (left) is now empty; residents who fled the hills with all their belongings (right) are back.

dividually investigated—should be limited at first to 5,000 lire.

• **Deposits Start to Rise**—The three days after the banks reopened proved to AMG that the arrival of the United Nations had caused no financial panic. By the third day, new deposits exceeded withdrawals. New accounts were free of all restrictions from the day the banks reopened.

To get three vital activities—picking of olives, harvesting of wheat, and fishing—quickly back into operation, AMG authorities have provided special financing (all other commercial loans were left for the banks to handle as usual).

• **Fighting Stopped Fishing**—Sicily has hundreds of fishermen who earn their whole living at their business and who provide the country with an important part of its food supply. The invasion brought this business to a halt, and naval restrictions prevented a resumption of business for some time.

When it finally became safe to operate—at first off only the south and west coasts—AMG provided the funds to recondition the boats, made special allocations of fuel oil, and guaranteed the distribution of the catch.

• **Fuel for Presses**—Next to bread and spaghetti, olive oil is one of the most important items in the Italian diet. The olive crop was almost ready to be harvested when the last of the Axis armies was forced out of Sicily. To assure prompt handling of the business, AMG agreed to provide the fuel—even the power, if necessary—to see that all oil presses were operated.

Third problem requiring government financial aid was the wheat harvest, and this proved to be AMG's toughest task.

The Sicilians seldom grow enough wheat to cover all of their requirements. When the Allied forces arrived on the island, they found an acute shortage of flour in all of the larger towns, and what

remained was being sold at outrageous black market prices.

• **Sawdust in Bread**—To extend dwindling supplies, the Italian authorities, during their last weeks in the island, had forced bakers to mix sawdust with flour for bread on a reported basis of four parts of very crudely milled flour to one of sawdust. In one warehouse, 800 bags of sawdust were found.

As soon as possible, AMG began distributing relief supplies of flour in the cities to meet an immediate emergency. At the same time, scouts scoured the countryside for hoarded supplies and found fairly large stocks.

• **Example for Hoarders**—Finally, in October, when it was apparent that some farmers had no intention of disgorging their hoarded stocks, AMG organized military police squads to conduct raids. When a few hoarders who had lied on their declarations were caught and punished by having their entire stocks commandeered, the news spread through the country and wheat began to roll to market.

But not more than a three or four months' supply can be provided this way. By spring, Sicily will need help from abroad.

• **Nazi Rations Captured**—Captured German rations have helped to meet immediate requirements in Italy and have also helped to augment our own military supplies. While the quality of the Nazi army rations is very good, as much as 40% of those captured had spoiled because of bad canning.

Cans of Danish butter, however, were in excellent condition, and so were the canned liverwurst, sauerkraut, pork sausage, and the tubes of Danish cream cheese.

Two of the most serious civilian shortages which AMG must cover in Sicily are gasoline and coal. Both are needed to rebuild transportation serv-

ices, and coal is needed for industry for winter heating. Since the nearest available source of coal now is Britain, it is expected that some of the locomotives will be converted to oil, which can be supplied from the Middle East.

• **Surpluses Exploited**—On the supply side, however, Sicily can make several contributions to the United Nations and AMG is organizing production along modern lines.

Its sulphur stocks are among the largest anywhere but in the United States, and, with the mines already in operation under AMG supervision, Sicily should be able to supply all of the United Nations sulphuric acid needs that part of the world.

In addition, the island's asphalt deposits can, with careful reorganization by AMG experts, provide all that can transport for road repairs and the building of runways in the Mediterranean area.

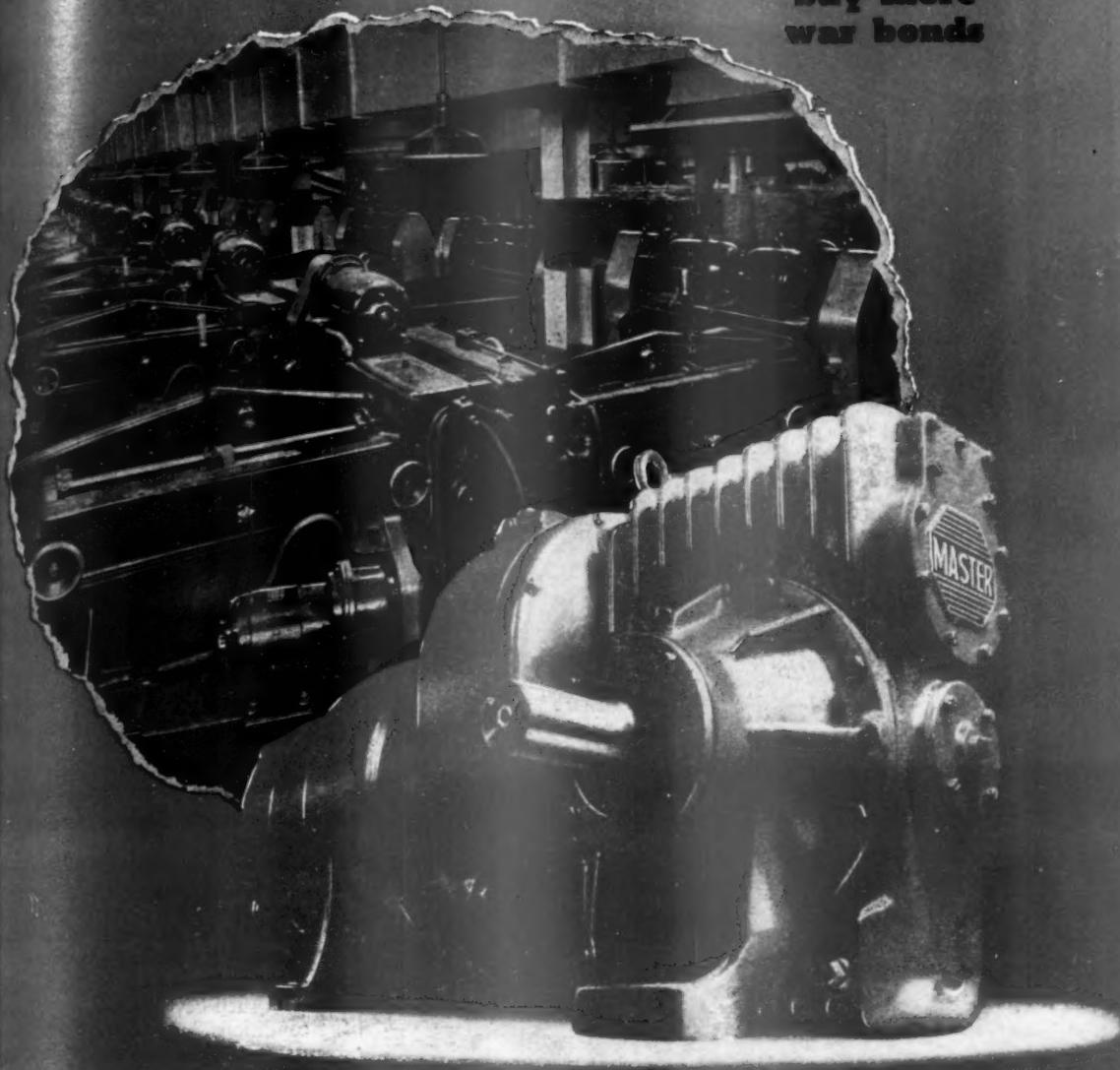
Less spectacular, but of tremendous importance to Europe's populations when they are liberated, are Sicily's citric and tartaric acid which, prepared in modern plants, make up the biggest single supply entering world export channels.

• **Bereft of Initiative**—One of the biggest problems with which the liberating armies are having to deal is the difficulty of getting Italians—after 20 years of Rome-dictated fascism—to accept responsibility and take initiative.

It was a surprise to the AMG chief official in one of the populous areas of Sicily to find that some of his best support in rebuilding a nonfascist administration came from the men who, many years ago, won considerable recognition with his boast that he was the man who gave Scarface Al Capone his scar.

• **Friend and Foe Identified**—When the invasion of Sicily began, this ardent antifascist made his way through

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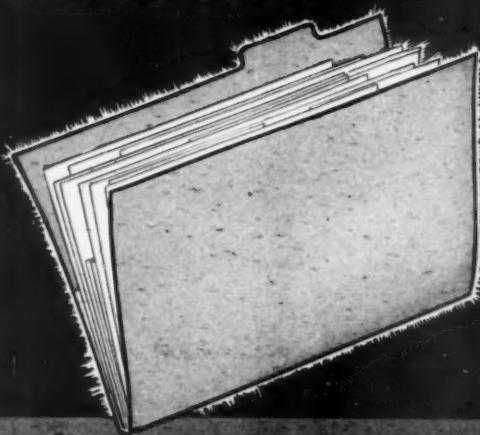
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lines to the United Nations side and offered his help. When it came time to weed out the fascist leaders in his government, he was on hand to suggest those most likely to sabotage all efforts to establish a new, democratic regime and others who, for 20 years, had kept up an underground fight against fascism.

It was when AMG's labor division started to operate that the most serious long-range problems began to show.

Because no reliable Sicilian labor statistics were available to AMG before the invasion, few plans could be made until labor specialists arrived in the island and talked with both workers and management.

As a result, it was the end of September before the first labor order was posted on the street corners and broadcast through the press.

• **Declaration on Labor**—This basic order, which went into effect on October 1 and has now been broadcast in liberated Italy too, abolishes all Fascist Corporate Syndicates, establishes official labor offices in each of the nine provinces of Sicily, and publicly declares that the main objectives of the new labor program for the country are:

To study and then formulate the most practicable and expeditious method of establishing and assuring freedom of labor organization and representation;

To establish and maintain information and statistics for the entire island and keep the public informed of important labor developments;

To establish labor registration and supply offices;

To act as conciliators, mediators, and arbitrators in labor disputes.

• **Bargaining Principles**—The stir this announcement created had barely died down when labor authorities issued a second basic regulation announcing the right of workers to organize, the need for a constitution and bylaws which must be ratified by each union, and finally the right to bargain collectively on such key issues as wages, working conditions, and other grievances.

First test of the new regulations came on the third day after this ruling was inaugurated.

Employees of one of the biggest public utilities on the island sent representatives to the local authorities saying that their wages had been reduced in the face of a rising cost of living and that the management had refused to arbitrate.

• **Workers' Case Wins**—The managers were called before the central labor office and asked to state their case. When it was apparent that wages had been slashed below the long-established rate (there was no written contract), the surprised management was asked to meet with a delegation of four men representing 3,500 workers.

At the second session, the AMG labor tribunal ruled in favor of the



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business we honestly don't know of a single dissatisfied Athenia customer.

Since its inception Athenia has been noted for producing high-carbon steel, 60 carbon or over, for such special applications as clock springs, piston rings, saws, tapelines, umbrella ribs and corset stays. Stock is furnished in widths of $\frac{1}{16}$ " to $6\frac{1}{2}$ ", thicknesses of .0015" to .062", and is available annealed, hard-rolled, tempered, or tempered polished and colored.

Today, and until this country is rid of its enemies, our painstaking method of making fine steel in controllable batches is devoted entirely to the war effort. If your business is presently in that category we would appreciate an opportunity to bring the Athenia *method of doing business* to whatever specialty steel problem the war has brought you. Now... and through the years after peace has come... you'll be glad... and we know we will.



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workers, and Italy was presented with its first case under the new labor code.

Broker Disciplined—A second case which came before the labor tribunal is typical of others that are expected to develop.

A labor broker was hired to supply one of the new provincial governments with 1,000 men to handle a road repair job that needed to be completed in a hurry. Under the contract, the government agreed to pay the broker \$50 a day for the men. When the workers discovered that they were receiving only 28 lire a day and that the broker was pocketing the balance, they protested and won their case—including the payment of arrears.

Graft a Problem—American critics say that in a country where officials have been paid as little as \$500 a year to handle a job that would command at least \$8,000 in the United States, it is not surprising that they have become accustomed to accepting bribes. But it adds to the problems with which AMG must cope in attempting to set up a new, and democratic, regime.

AMG has shown strikingly in the Naples area how effectively it has learned to search out responsible leaders to help reestablish civilian business on a scale just broad enough to provide the Army with indispensable communications and supplies and the public with just enough to start the wheels turning again. Beyond that, the local Italians themselves are expected to pick up the task and do the long-term job of permanent rehabilitation.

And No Soft Pickings—AMG has also made it plain that it intends to be no Santa Claus. Food will be brought from abroad to meet immediate and dire emergencies, but, importantly, the population will be encouraged to help itself, either by diversifying its agriculture or by growing crops which can be traded as essentials with distressed neighbors.



AMG's policy is to rule with a light hand; but threats were necessary in Sicily to release hoards of flour for distribution to local residents.

Two-Timing Time

Mexico's *Tiempo* looks like and reads like *Time* magazine, but proclaims that any resemblance is, of course, coincidental.

MEXICO CITY, D.F.—On Apr. 25, 1942, Mexico City's newspaper urchins were distributing free copies of a novel publication bearing the name *Tiempo*.

Next week a regular 40-page *Tiempo* was being hawked for 50 centavos, equivalent of the U.S. dime.

• **Namesake, Not Child**—Its first issues decked in a red-bordered cover, *Tiempo* was a dead ringer for *Time*, keystone of the Henry Luce Time-Life-Fortune structure. Bearing a *Nota Importante* which, translated, reads: "This weekly is not in any way connected, nor pretends to be connected, with any other published in any language." *Tiempo* is *Time*-like from cover-portrait to writing style.

Allen Bernard, former New York newspaper man, was the first proponent of a fast-moving Mexican news weekly, but he failed to interest either U.S. or Mexican publishers in the venture. A U. S.-educated (Cornell, Williams College) Nicaraguan, Salomon de la Selva, took up the idea, recommended a pro-Camacho government-aided news magazine for Mexico in 1940. At this point a Mexican, Martin Luis Guzman, author and journalist, found a supporter in Interior Secretary Aleman.

• **Ambitious Plans**—As protector of the venture, Aleman remains in the background. Guzman is director of the weekly, de la Selva editor of the section "Americas from Pole to Pole."

Although *Time* states that "Time, or any translation thereof" is protected throughout Latin America, its chances of hitting *Tiempo* where it hurts seem slim in view of the official backing the weekly receives in Mexico. *Tiempo*, in fact, has registered its name in Mexico, Argentina, and Guatemala, hopes to extend its circulation among Spanish-readers from Agua Caliente to Tierra del Fuego.

• **Real Inside Track**—With the moral support of the Secretary of the Interior, and financial support of his friends, *Tiempo* is printed at Talleres Graficos de la Nacion: the government printing office.

Chief *Tiempo* backer—reported willing to meet any deficits—is the American financier and speculator Ben (Sell 'em) Smith, part-owner of Mexico City's swank racing club, the Hipodromo.

• **Subscription Claims**—Circulationwise, *Tiempo* prints over 17,000, claims 6,500 subscribers. Issues run 48 to 56 pages with 14 to 20 pages of advertising which



No jumping bean it, Mexico's *Tiempo* has steadily followed the line that the United States' *Time* marches on. But a comparison of dates (*Tiempo*, Aug. 13; *Time*, Aug. 23) reveals a felicitous bit of journalistic timing in the choice of a cover picture that has given *Tiempo*'s backers at least one chance to ask who's imitating whom.

sells at \$78 a black-and-white page, \$110 for back cover in color. In addition, some six to twelve pages—euphemistically called "Information and Publicity" are paid ads in the form of articles.

Most *Tiempo* advertisers are United States concerns: Braniff, Eastern, American, and Pan American airlines; Parker Pen, Pepsi-Cola, Willys Export, Wright Engines, RCA Victor, International Harvester, Alka-Seltzer, Celotex. Mexican advertisers include Petroleos Mexicanos (government-run oil monopoly), the National Lottery, and semi-official banks.

• **Further Confusion**—Latin Americans, familiar with *Time*'s air express edition (in English), have often confused *Ti-*

Day Never Ends...

NORTH, South, East and West . . . the power of American locomotives is speeding millions of tons of the materials of war and hundreds of thousands of fighting men . . . to end this war. Not a minute can be lost. For in that minute, men can die.

That's the all-important reason why day never ends at this engine terminal of the Norfolk and Western Railway, in Roanoke, Va. Here, modernization and peak efficiency have stepped up servicing capacity from 85 to 135 locomotives every 24 hours. From five operating districts, all day and all night, these symphonies of steel and power roll into the terminal. By swift, assembly-line method, each locomotive is quickly, but thoroughly inspected; fed and watered, washed and groomed, lubricated, possibly doctored a bit . . . and, "champing at the bit" . . . rolls out again, at the rate of one every ten minutes . . . back into the battle of transportation.

Without trains, mass transportation for war is impossible. Without locomotives, trains cannot move. Hence, the job of fast servicing and keeping American locomotives rolling is absolutely vital to Victory.

* * * * *

When Victory is won, the Norfolk and Western—operating between Cincinnati and Columbus in the midwest and the Virginias and Carolinas, with lines to the North and South—will play an important role in promoting the peacetime progress of the nation and the strategically located territory it serves.

NORFOLK and WESTERN Railway

ONE OF AMERICA'S RAILROADS . . . ALL UNITED FOR VICTORY!
BUY MORE WAR BONDS



empo with Time, attributed ownership to Time, and kicked about Tiempo to Time.

Confusion is confounded by the fact that before Time launched its first press edition, it syndicated the *Mundo del Tiempo*, a Time-style Spanish version of Time's Foreign News, National Affairs, and other sections, to newspaperers throughout Latin America.

• **Printing of 12,000**—Although the project has been dropped, Time is printing some 12,000 copies in Mexico City, Bogota, Colombia, and until this week when it was banned by Ramirez in Buenos Aires.

OFFICIAL PRICE STORES

MEXICO, D. F.—Alarmed by inflation, hoarding, rising food costs, shortages, and popular discontent, Mexico has taken drastic steps to stabilize dangerous situation. The government, issuing slugs of gold for hoarding (BW Oct. 24, p42), has frozen prices of a primary necessities, and decreed wage boosts for the lowest wage earners caught in the trap of rising costs.

Lack of policing has nullified the government's price-freeze program, but last month the administration launched spectacular attempt to force prices down in Mexico City's marketplaces, opening seven stores to sell foods at official prices in the midst of price-violating competitors.

The government stores sell to distributors and retailers who adhere to the official resale price.

CANADA

Unions Win Point

Postwar labor code is emerging from administration's proposal of a unified policy for Dominion and provinces.

OTTAWA—Canadian labor unions are winning a wartime fight for a post-war labor code. The three political parties are due to bid for the decisive labor vote in a general election early next year.

• **Joint Policy Urged**—The Mackenzie King government has jumped the gun by inviting the nine provinces to join with the Dominion government on a joint labor policy for now and the post-war period. Uniform Dominion and provincial labor legislation is now in sight and probably will pass the federal parliament and provincial legislatures during the next few months.

Ottawa's request to the provinces to

PEACE STRAWS?

Canada's war production chiefs deny that a cut of 15% in the headquarters staff of the Munitions & Supply Dept. signifies curtailment of the war program, but it is admitted that the shift from war to peace production has already started.

The change already has begun in explosives plants, which now are working on fertilizers. The textile industry is switching to materials for men's and children's underwear, mainly for relief in Europe. Many textile mills are planning to extend their winter schedules for two months to build up stocks for next winter.

Ottawa soon will set up a new control body for the disposal of surplus war supplies (BW—Nov. 20 '43, p44). Some materials are being made available to civilian industry.

Minister of Agriculture James G. Gardiner is expected to launch a program of agricultural subsidies shortly to help meet Canada's share in European relief.

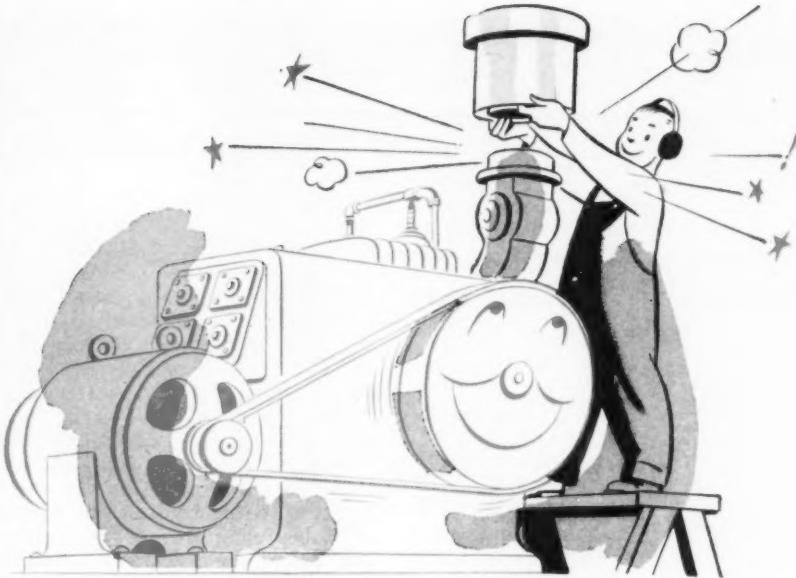
Rationing of tea and coffee is expected to be lifted before Christmas, but with European needs in mind, the public is being warned to count on continued sugar rationing.

Permits for the manufacture of aluminum household utensils are expected shortly as stocks of scrap aluminum reach substantial size.

In enactment of permanent labor legislation provides Canadians with an explanation of the government's failure to act on the report of the National War Labor Board, submitted in August. The NWLB sought only to stabilize labor conditions for the war periods (BW—Nov. 6 '43, p42).

Lasting Job Preferred—The administration, however, decided to make a lasting job of it. For unions, the new development will mean fewer wage concessions than demanded, but nationwide acceptance of compulsory collective bargaining. The new labor code is modeled after the U. S. National Labor Relations (Wagner) Act, but does not go so far.

Along with moves to line up the provinces behind the administration's program for labor, Ottawa proposes to remove conciliation proceedings from the jurisdiction of the Labor Dept. and put them before a new national labor board. This will also set aside Canada's Industrial Disputes Investigation Act, under which strikes and lockouts in public utilities in advance of arbitration proceedings are barred.



MUZZLES the bite, MUFFLES the bark of intake air

Not many engineers let grit-laden air chew up the polished insides of their engines and compressors . . . if they know it.

But the bark of intake air can be as hard on workers as its unfiltered "bite" is on machines.

So—why not muzzle the bite and muffle the bark with a single device?

Where it is desirable to combine the advantages of Air-Maze filters with silencing devices, use Air-Maze filter-silencers. The silencing chamber is designed in proportion to the filter and consequently to the equipment on which it is installed.

Air-Maze filter-silencers are available in either oil-bath or oil-coated types, featuring the patented Air-Maze crimped, wire mesh media. These permanent, non-deteriorating filters can be kept at their original high efficiency for years, even under severe dust or lint conditions.

Standard Air-Maze filter-silencers cover all average engine and compressor needs. Special sizes can be built to meet any requirements.

For specific recommendations, write, giving complete details of application.

Hunting ideas? Look at typical AIR-MAZE uses!

Aviation—Intake air filters and oil breathers to solve specific problems.

Inflammables—breathers to prevent sparks from igniting and dust from contaminating contents of storage tanks.

Engines, Compressors—filtering and silencing intake air.

Manufacturing Processes—cleaning and humidifying atmosphere.

After the War—your car, home, plane or industrial machine will be better with Air-Maze filters.



AIR-MAZE
FILTER-SILENCER. One of over 3,000 types.

AIR-MAZE CORPORATION • CLEVELAND, OHIO

AIR-MAZE
SPECIALISTS IN AIR FILTRATION

PRODUCTION

Postwar Preview

Conservation exhibit in Washington mirrors the wartime skill that is storing up peacetime miracles in production.

If the Office of War Information could step up its publicity on the current conservation exhibit which will run through Dec. 7, on the main floor of the Social Security Building, Washington, it would have thousands of manufacturers, and merchants, storming its toll-free gate instead of the dozens now trickling in.

- **Around the Corner**—It's a genuine eye opener, both as a visual progress report of the strides taken during wartime in conservation of materials and manpower by simplification, substitution, and mechanical ingenuity, and as a preview of what may be around the postwar corner in the way of materials, design, and economical new manufacturing methods.

Examples by the thousands from the military and civilian production lines of Canada and the United States are displayed in a few thousand square feet of floor space through the cooperation of two international bodies—(1) the Combined Conservation Committee of the Combined Production & Resources Board, and (2) the Combined Raw Materials Board.

- **Estimates Included**—Many of the examples show both old and new designs (plus some intermediate ones) together with estimates of the savings in critical material and manpower.

Exhibitors include the Army, Navy, Maritime Commission, the Joint Committee on Rescue Equipment, Office of Production Research & Development, all the industry divisions of WPB, the aircraft industry, and numerous individual manufacturers of military and civilian wares.

Exhibits range from warplanes, guns, and rescue equipment for sea and air, to baby carriages and bicycles—all neatly classified and compactly segregated for quick inspection by visitors who are interested in seeing particular classes of goods.

• **Mosquito Parts Are Shown**—Canada, which is proud of the records set up by the plywood Mosquito bombers it is producing, devotes considerable space to several of their components.

All the major steps taken in manufacturing plywood air scoops for the engines, which require 28% less labor than sheet aluminum scoops, are shown;

with them are plywood seats, fuel tank covers, and so on.

- **Plastic Buoy**—The U. S. Coast Guard shows, among many other things, a shiny red channel-marking buoy, considerably larger than a man, which is formed from 300 pounds of plastic and cloth laminations, and which never will have to be repainted because its color is integral with the whole; the buoy it replaces required 650 pounds of steel.

The Maritime Commission shows stair treads, walk ways, and platforms made of expanded steel instead of solid steel plates, accounting for a saving in the current ship construction program of 61,000 tons; ship bells of pressed steel rather than cast bronze, which toll the hours and half-hours with almost the same lugubrious tones; life-saving suits of the coverall type coated with an oil-resistant synthetic, with an all-over saving of 480,000 pounds of the natural rubber originally used for that purpose.

Army Air Forces shows cushion fillings of resilient curled hair impregnated

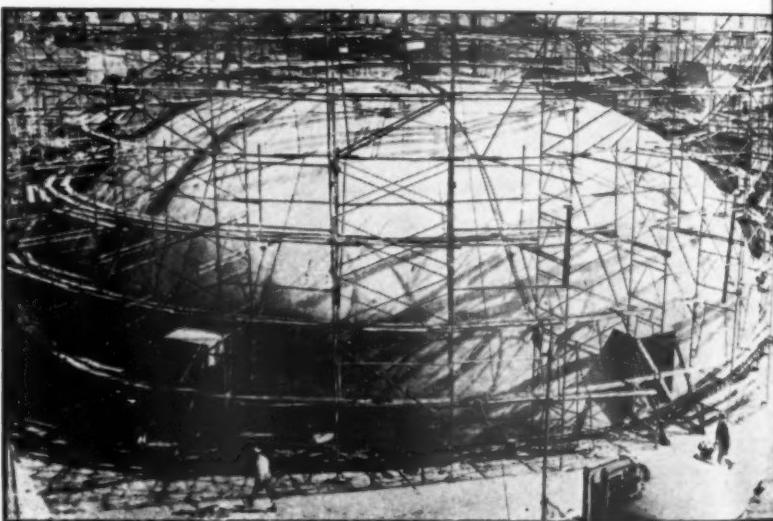
with a small amount of synthetic rubber and formed to permanent shape; Army Quartermaster shows new soles and heels, some of them synthetic rubber, others reclaimed natural rubber.

• Compact Germicide—One chemist reveals how a pound phenyl mercuric borate will do the work of 1,820 pounds of phenol as a germicide and antimildew agent for cotton and paper—at one-sixth the cost.

Another chemical producer in a whole different field shows how it is possible to dehydrate "wave set" lotion for women hair and package it in a small paper envelope only a fraction of the size, weight and cost of the former eight-ounce bottle.

• **Plastic Piano**—New materials and plications shown in various exhibits include: plastic-bonded plywood lavatory bowls with smooth, slightly contours; airplanes; transparent glass lavatory that let you see potential stoppage before they occur; similar plastic traps; plastic-plywood piano without the traditional heavy cast-iron bed plate; piano "piano hinges"; automobile engine gaskets with sheets of soft carbon steel instead of copper, holding the asbestos sandwich; cactus fibers rather than copper tinsel in automotive air cleaners.

New or comparatively new production methods include: metal stretching for aluminum alloy airplane parts which the material is caught by powerful clamps and pulled over forms in compound curves; metal shrinking that enables structural "angles" and U-shapes to be bent into smooth radii without wrinkling; "fly cutting" flat steel nonferrous metal parts for guns and



BUILDING ON AIR

Because of wartime restrictions on metal, steelless concrete buildings are literally ballooning up in various parts of the country. One of the newer and larger ones, going up in Los Angeles,

will be a laundry warehouse when finished. To build this igloo-type structure, a huge canvas bag is inflated with air, then covered with insulation and concrete. After it sets, the bag is deflated and removed—ready for use as a form in another building.

A Shot In The Dark To Bring More Light

So many changes . . . so many questions . . . so many advances to make . . . so many discoveries made . . . one of the current problems in planning is the means to put men and manufacturers with ideas in touch with each other so that these ideas may spark themselves into swift accomplishment.

—which explains why men of industry are meeting more and more to think out problems synergistically*. This does not mean "bull" sessions, either.

What do they talk about? Any problem under the sun that falls within the scope of their activities. For instance, they might talk "emulsifying"—a bit intricate in developing plans, but highly satisfactory in results produced.

In many operations, it is desirable to spread a very thin film of a viscous oil or wax over a surface—textile oils, insecticidal oils, floor polishes, paper finishes, to mention a few. Applied as highly diluted emulsions of oil-in-water, oils or waxes spread uniformly over surfaces, due to good wetting of the surface by water and the low viscosity of the emulsion.

Where it is impossible either to apply heat or to use a volatile solvent, emulsification makes possible proper spreading of solids in thin films at normal temperatures—always provided that the right emulsifier is at hand.

Here is an emulsifying idea. It is inexpensive, it is safe. Where will it go? Look to synergism for the answer. Atlas, with a new series of emulsifiers in a wide range of characteristics and combinations, is ready to think synergistically with you concerning your problems. Shall we make a date?

***Synergism**—a growing habit in American industry. Men bring problems and ideas together so that minds "click" to produce a result far greater than the sum of ideas expressed. So to speak, they make 2 plus 2 equal 5.



ATLAS

POWDER COMPANY
WILMINGTON 99, DELAWARE
Offices in Principal Cities

Industrial Explosives • Industrial Finishes • Coated Fabrics • Acids
Activated Carbons • Industrial Chemicals • Ordnance Materiel

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other war matériel with rapidly whirling one- or two-bladed cutting tools at several times the production rate of slower-moving multibladed milling cutters, with no perceptible difference in the surfaces achieved.

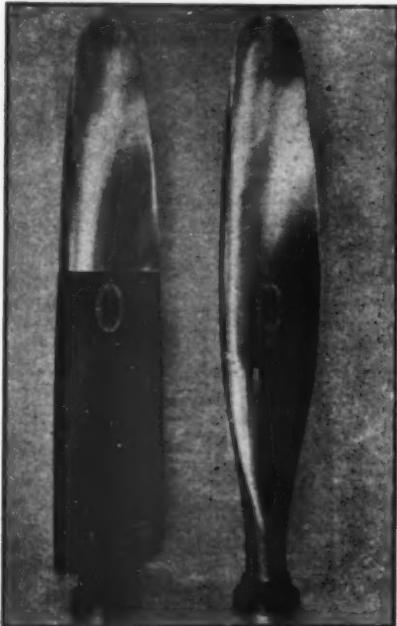
• **New Processes**—Newest manufacturing processes, exposed probably for the first time to general view, are "precision" casting and "Christmas tree" cast-

ing, each a development of a different kind of centrifugal casting.

The first, which will produce such varied items as tiny nonferrous parts true to a thousandth of an inch, chrome steel blades for steam turbines requiring a minimum of machining, and 13-inch spinners for turbosuperchargers requiring little or no machining, is really the same "investment" casting practiced by

dentists, but on an industrial scale. • **Wax Models**—Instead of investing in an investment of plaster of paris and other refractory, and firing the whole to set the refractory, burn out the wax and leave a precise mold for the investment. A similar procedure is followed with wax models of spinners or turbine blades. Resultant molds are then swung in cen-

Props for the Present and for the Future



Developed by U. S. Rubber and Army technicians, electrically heated conductive rubber anti-icing strips are expected to lick an aviation hazard—propeller ice formations which destroy balance and thrust.

Wartime line of G. B. Lewis Co., Watertown, Wis., is principally wooden beehives and industrial and military boxes; postwar line, wooden propellers for low-powered airplanes. Foreseeing a postwar boom in small

Propellers' East Hartford (Conn.) plant, duralumin props go into machines (above) which mold and vulcanize sponge rubber cuffs to 2-blades at a time. Over these go shells of du Pont's Neoprene rubber which are polished to reduce wind resistance. The cuffs are said to increase propeller efficiency and to step up top speed.

plane use—especially by business executives, salesmen, and ex-military pilots—Lewis is already producing 72-in. propellers, the output going to jobbers who sell to training ship owners rather than to the government.

OF COURSE YOU'LL BE USING MAGNESIUM



Magnesium
makes teammates
of Precision
and Production

Magnesium machines at very high speeds, taking a fine finish which makes extreme accuracy possible. Machine work can be held to close tolerances, therefore, even while boosting the speed of production. Think what this means to producers of vital war materials!

American Magnesium products, supplied to these manufacturers, add another plus which also helps speed this production. Their high quality—soundness and uniformity—causes Mazlo Magnesium Products, like

the airplane wheels pictured above, to go through manufacturing lines a'sailing. High production schedules are easier to maintain.

Peacetime users of magnesium will profit similarly by depending upon American Magnesium as their source of supply. Our engineers, with more than twenty years experience in working with magnesium, can render valuable assistance in the design and fabrication of magnesium parts. For such help, write American Magnesium Corporation, 1711 Gulf Building, Pittsburgh, Pennsylvania.

Send for the new book, "Designing with Magnesium."

MAGNESIUM



PRODUCTS

AMERICAN MAGNESIUM
CORPORATION

SUBSIDIARY OF ALUMINUM COMPANY OF AMERICA



A WORKMAN may control the flow of liquids, steam or gases through a Hancock Flo-control Valve as simply as he winds his watch. He reads the setting as quickly as he notes the time.

From zero to the full capacity of the valve, the amount of flow is determined exactly. Always he can set the valve at any predetermined point, even to a micrometer reading which is one-hundredth of a turn of the control wheel. Marking the setting with a daub of paint or tying on a piece of string—they are obsolete methods. They were never accurate. The Hancock Way is precise—scientific.

It is scarcely necessary to say that only the best of design, materials and workmanship are embodied in this valve.

Wherever control is required specify "Hancock Flo-control." For all other valve purposes, let your specifications read "Hancock."

Hancock Valves are stocked and sold by leading Distributors everywhere. Write to them or us for full information.



HANCOCK Valves

MANNING, MAXWELL & MOORE, INC.
BRIDGEPORT, CONNECTICUT

Makers of Hancock Valves, Ashcroft Gauges, Consolidated Safety and Relief Valves and "American" Industrial Instruments. Builders of "Shaw-Box" Cranes, "Budgit" and "Load Lifter" Hoists and other lifting specialties.

centrifugal machines during casting to insure dense compaction of the molten metal as it cools and hardens.

• Whirled in Molds—Christmas tree castings stem from centrifugal pipe molding which whirls cast iron to high degrees of density in permanent steel molds; but instead of a single pipe, there emerges a cluster of 39 tough steel bogie pins (arranged in three long rows of 13 each) for trailer "hitches," or a stack of 13 large tractor sprockets, fed by a common gate which looks like the trunk of a tree on cooling, hence the name.

Since the wearing surfaces of the bogie pins and the sprockets lie closest to the largest diameters of the whirling centrifugal molds, they receive the heaviest, densest metal during pouring, and consequently are given physical properties approaching those of drop forgings.

Cranberry Dollars

Byproduct, ursolic acid, is an emulsifying agent useful in cosmetics; oil from seeds also finds ready market.

Neither the first industry to make something out of scrap products, nor the first in which demand exceeded supply, Cranberry Canners, Inc., of Hanson, Mass., thinks it has something—several things, in fact—in the byproducts of cranberry skins, seeds, and pulp.

One byproduct is versatile ursolic acid. Walter A. Nealy of the Cranberry Canners' research laboratory says ursolic acid is the big tent, cranberry wax and cranberry oil the side shows.

• First Put on Shelf—First discovered when it interfered with Nealy's experiments on cranberry pigments, crude ursolic acid was relegated to the laboratory shelf and temporarily forgotten. In 1939, Nealy became curious and began to analyze the resinous material. He sent an extraction to Dr. Charles E. Sando of the U. S. Dept. of Agriculture, who verified the analysis and reported that cranberries contained a higher percentage of ursolic acid than anything else known.

• Pilot-Plant Stage—Never before found in sufficient quantity for experiment, ursolic acid is produced now on a pilot-plant scale. Its possible use in carbon paper making is being investigated. It has been used (sometimes with cranberry oil) in cosmetic creams, lipstick, tooth paste, as a toilet water base, and as the emulsifying agent in mayonnaise.

Vaccinol, a combination of ursolic acid, cranberry seed oil, cranberry wax, and distilled water, makes a salve specified for skin lesions and burns. It has been sold on prescription by a few drugists but is not yet widely distributed.

• General Foods a Producer—Eastman Kodak lists ursolic acid among its or-

ganic chemicals, and it is stocked by Eimer & Amend, New York chemical supply house. Another producer is General Foods, which obtains the cherries from apples.

Ursolic acid is a tasteless, odorless powder, soluble in organic solvents, alcohol and benzene, but not in water or petroleum. An excellent emulsifying agent, of the water-in-oil type (one part of it added to 1,000 parts of mineral oil and water will emulsify the whole), it also has therapeutic qualities and a high melting point which raise that of other waxes in combination. Refined ursolic acid is a white, fine, resinous powder with crystals so small that they disperse like smoke when sprayed from a gun.

• Sando Sold Patent—Dr. Sando's patent on ursolic acid extraction, intended originally for cold cream manufacturers, was sold to Cranberry Canners last year. Nealy built a small pilot plant and now finds himself confronted with a demand considerably larger than he can fill.

One firm wanted to know how many barrels of the acid Nealy could ship. No one inquired the price per ton. Nealy had nothing approaching such quantities.

• Extraction Technique—Extraction of ursolic acid begins with washing cranberry skins and seeds, then drying and screening them. The cracked seeds yield a mealy mass and a thin, green oil extracted by hexane. From the skins come brown wax and crude ursolic acid from which resin acid and a thermoplastic substance must be refined. The green skins themselves make cranberry wax, a filler for plastics.

• Cork Substitute—Cranberry skins have been tested by a Brockton shoe company as a filler for shoe soles in place of cork. Although reports were promising, Cranberry Canners is not able to supply a sufficient quantity of skins for further tests.

Saponified cranberry seed oil makes a clear mild shampoo or liquid soap.



Ursolic acid (left) produces a fine, creamy emulsion of many uses (right) when a small quantity is added to a mixture of mineral oil and water.

What would you do next?



After training, you'd know too!

A HUNDRED THOUSAND young American pilots take upside-down flying in their stride. What gives them such supreme confidence?

Back in ground school, the student pilot spent priceless hours in make-believe flights under the "black-out" of a mock airplane.

Utterly safe, he mastered the first basic principle of blind flying: *Trust your instruments...not your instincts!*

Right in the classroom, the famous Link Trainer reproduces the complex movements of actual flight.

Obviously, it must be a sensitive, exact mechanism. It is...

Such precision equipment needs special protection...against moisture, dust, shifts in temperature...exactly the protection Carrier Air Conditioning is designed to give.

In air that is scientifically cleaned, cooled, and dried, there is no speck of dust...to settle on delicate electrical contacts and thus throw the "flight" off course. Nor moisture...to corrode or break down highly responsive radio controls. And the cool air in the cramped quarters of the

cockpit helps the pilot stay alert...mentally tuned-in to the lessons that will some day save his life.

All through aviation, Carrier equipment serves in a hundred different ways...in the production of bomb-sights, high-octane gasoline, gyro-pilots, propellers, safety glass, parachutes.

During two World Wars and the peace between, Carrier's highly specialized experience has helped American industry get things done!

CARRIER CORPORATION, Syracuse, N. Y.

AIR CONDITIONING

Carrier

REFRIGERATION



MORE Hi-OCTANE for QUICKER VICTORY!

Carey

HEAT INSULATIONS

**Help Assure TOP PRODUCTION
For GULF'S NEW HOUDRY UNIT**

Tremendous and ever-increasing demands for hi-octane aviation gasoline have put this product high on the list of critical war materials. In planning its great new Houdry Unit, recently completed by the Gulf Oil Corporation, maximum hi-octane output at minimum cost was the goal—and efficient heat insulation was, of course, a "must."

CAREY Heat Insulations were specified for this big refining operation, just as they have been chosen for other large units throughout the oil industry—on a basis of known and proved outstanding performance.

CAREY Hi-Temp and 85% Magnesia Insulations save fuel . . . cut heat loss to a minimum . . . insure maximum production at lowest operating cost. They are famous the nation over for toughness and durability, super-efficiency and long life.

Whatever your particular insulation problems, remember you can depend on CAREY Heat Insulations, and our nationwide engineering and distribution service. For details, write Dept. 29.

You've done your bit—Now do your best!

THE PHILIP CAREY MFG. COMPANY
LOCKLAND • CINCINNATI, OHIO

Dependable Products Since 1873

In Canada: THE PHILIP CAREY CO., LTD.
Office and Factory: LENNOXVILLE, P. Q.

which, because it is water-soluble, leaves no soapy film.

• Not Yet Profitable—Nealy, who plans for a larger plant as soon as construction materials are available, figures he can now produce about 20,000 lbs. year of ursolic acid, an equal amount of wax, and 20 gal. daily of cranberry juice.

Pure ursolic acid, selling at \$3 a pound, is not now a money-maker, but present costs are expected to come down with larger-scale production.

Peanut Hull Cork

Atlanta inventor claims his new product can be used for bottle cap liners, inner sole gaskets, wallboard.

Early in the war, soft drink manufacturers and other cork users hunted frantically for a satisfactory cork substitute to meet what proved a temporary dearth of imports. Herman M. Kulman of Atlanta, who has been experimenting in his home laboratory with a corklike material made from peanut hulls ever since the Spanish civil war began seven years ago, believes he has an answer if one still is needed.

Kulman's "cork" is made by grinding 20% to 40% of the peanut hull fiber into a fine meal, then milling with liquid.

• Hull Cork Survives Tests—Dr. T. C. Woodroof, food technologist at Georgia's state experiment station, reports that bottled tomato juice and grape juice put up with Kulman cork crowns have survived tests of time, water, citric acid, turpentine, vinegar, peanut oil, and other oils.

Kulman also has tested his hull cork in gaskets, inner soles, wallboard, and refrigerator linings.

• Manufacturer Gets Ready—Holtz Rubber Co. of Atlanta, preparing to manufacture items under Kulman's patent.



Herman Kulman displays his cork substitute made from peanut hulls.

tell questioners that its plans involve government contracts, and that a number of large soft drink manufacturers have tested and approved Kulman cork crown liners.

The Kulman product is more expensive than natural cork, but Kulman hopes to get it on a better competitive basis when production builds up and processing machinery can be secured.

• **Market for Hulls**—The Southeast, world center of peanut production, would be thankful for a good market for surplus hulls. Sold for fuel or feed, they bring about \$2 a ton. As raw material for Kulman cork, backers say the price might be about \$7.50 a ton.

Georgia alone has an annual supply of about 87,500 tons.

Looking at Lineup

Detroit, considering its postwar automobile prospect, concludes it wouldn't take long to start assembly.

Automobile manufacturers, moving along in their thinking on automobile production which they hope can be partially resumed with the end of the European war (BW-Sep. 11 '43, p.16), are considering the chances of being delayed by the lack of component parts. So far, most of their inquiries satisfy them. No serious holdups are anticipated, gloomy predictions notwithstanding, and the automobile findings may be echoed in other fields.

• **Plenty of Backstop**—Car makers, like other mass producers, always have two sources of supply on each item, generally more. Behind the accessories and parts companies, which generally do business with any concern, are usually scores of others. The auto builders figure that if one source can't meet their

A NEW AUTO INDUSTRY?

General Motors plans to spend \$250,000,000 to reconvert its plants from war production to peacetime manufacturing, Alfred P. Sloan, Jr., has disclosed.

Automobile production in this country, the G.M. chairman predicted, ought to reach a level 50% above any previous peak, perhaps 6,500,000 cars a year.

Sloan said the greater part of America's industrial system is obsolete, implying that General Motors may junk some of its pre-war facilities and rebuild them to take advantage of the technological lessons that have been learned during the war.

Deep drawn TO KEEP AIR FRESH FOR THE SILENT SERVICE



When men of the silent service take their submarines down beneath the surface—their "pig-boats" are air-conditioned. The air is kept fresh and healthful. The refrigerant gas is frequently stored and transported in Hackney Cylinders . . . deep drawn to specifications. They meet all requirements as to strength, weight and safety. This cylinder (at lower right) is only one of the many Pressed Steel Tank Company products being produced for the war effort.

In addition to submarine service, Hackney Cylinders are being used for the storage and transportation of many refrigerant gases which are being employed in vital applications, both war and civilian. In airplane factories, rivets are cooled in order to speed production. In locker plants, refrigeration is meeting important uses in the preservation of food. Pressed Steel Cylinders and refrigerant gases are used in the storage of blood plasma—and for refrigerated test compartments simulating weather conditions in the stratosphere.

• For successful performance in these vital functions, the cylinder must meet a wide variety of strength, weight, safety and handling requirements. To assure the physical properties required for the various types of gases, the cylinders are made from flat, circular plates of steel—and

they are formed into seamless cylinders by a series of cupping and forming operations. This Hackney Deep Drawing Process permits their being made to exacting specifications with uniform side-wall thickness. To further improve their physical properties, the cylinder is subjected to precision-controlled heat treatment. The result is a cylinder that is light in weight—and yet has adequate strength.

It may be that your war and postwar problems can be solved by Hackney designs and the production of deep drawn shapes and shells. Many manufacturers, through the use of Hackney Deep Drawn Shapes, have been able to conserve material, man-hours and equipment—assure adequate strength while reducing weight. Be sure to write for full details.

Pressed Steel Tank Company

MANUFACTURERS OF HACKNEY PRODUCTS
General Offices and Factory: 1493 South 66th Street
Milwaukee 14, Wisconsin



DEEP DRAWN
SHAPES AND SHELLS



Hackney
Milwaukee

**CONSERVATION
is DeLuxe's Field**

DELUXE
OIL CLEANSING
MEETS THE FINER
FILTRATION
REQUIREMENTS
OF
*Detergent
Oils*

The new detergent oils, the Petroleum Industry's great development in the war against sludge, engine varnish, etc., do not eliminate the need for an oil filter.

The advent of these oils simply re-emphasizes the importance of the DeLuxe Filter which does not affect the physical or chemical characteristics of any oil. The same Controlled Depth Principle which makes it possible for the DeLuxe Filter to remove asphaltene from regular oil by absorption rather than straining also gives it the ability to cleanse the oil of the minutest particles held in suspension by Detergent Oils. (See illustration above.) For complete information write for free copy of the booklet, "The Key to Clean Lubrication". DeLuxe Products Corp., 1425 Lake St., LaPorte, Ind.



Also, manufacturers of Cast Iron Pistons of special lightweight design, standard equipment with over forty manufacturers.

requirements because it may not be clear of war contracts, another will.

Requirements for automobile materials break down into iron and steel, rubber, cotton, paper products, copper, glass, lead, zinc, jute, and paint. All these are expected to be in domestic supply as soon as the war ends. Whatever problems exist will be in fabrication.

• **Hopeful on Tires**—Tires conceivably could be a bottleneck, though the rubber companies say not. The rubber men figure that if peace in Europe makes limited auto output possible next year, some synthetic rubber can be diverted to the passenger car field from earmarked military requirements. After 1944, synthetic production facilities should be able to meet reasonable military and civilian demands.

The auto companies, however, would prefer to equip their products with natural rubber because of longer wear expectations. This, of course, hinges on the duration of war in the Far East, and auto producers can't even get solid promises from the tire makers that natural rubber would be ready within three months or so after hostilities cease.

• **Shipping Difficulties**—Many rubber men fear that ordinary channels of commerce in the Far East may be so disrupted by war that it would take months to reopen them. Much rubber comes from small native plantations, is paddled downriver by slow boat. It changes hands and is processed along the way.

Chinese figured prominently in this back-country traffic. Whether they will reappear as soon as the Japs are driven out of the Far East rubber areas is highly questionable. Trade webs may have to be rebuilt.

• **Other Doubtful Spots**—Fabrics might constitute another problem. Despite the expectation of plenty of wool and cotton at war's end, facilities for making the heavy broadcloths and mohairs specified for automobiles may not be immediately available in mass quantities. But the fabric companies feel that if they have the expected two- or three-month period of reconversion, they will be able to meet demands.

Sheet steel availability worried the auto men. After all, it took the mills six months to convert from sheet to plate. Would it take anything like that long to reconvert?

The answer is no; reconverting is comparatively simple.

• **Just Say the Word**—Some steel men say it can be done over a week end, just by lowering rolls and removing special tables and removing shear setups. So that worry has been checked off.

The conclusion seems to be that when the passenger auto plants are ready to start assembly lines, the conveyor feeders will be filled with stock and ready to move.

NEW PRODUCTS

Temperature Control

Controlling the temperature of ducted air in aircraft—air for heating the bombardier's and gunner's compartments, for defrosting windshields, wing and empennage deicers—is the wartime job of the new Temp-Turb Temperature Control developed by General Electric Co., Aviation Division, Schenectady, N. Y. In the postwar future there is every likelihood that it will be adapted to "control the temperature of ducted air for any application"—air conditioning, industrial processing, what ever.

Business part is a turbine wheel (center) with blades made of bimetal, in-



stalled in the duct. When the temperature of air flowing through the duct is exactly right for a particular purpose, the blades are straight, standing out radially from the turbine's hub and giving it no motion whatever. When the temperature falls as little as 5 deg. F., the blades bend in a clockwise direction, catch the flow of air, and revolve the turbine, which turns a mechanism and closes the shutters that normally admit fresh unheated air; when the temperature rises above the control point, the blades bend in the opposite direction and the turbine turns the other way to open the air shutters. The whole device is designed to "operate under any weather conditions and in ambient temperatures ranging from -70 F. to 300 F."

Metal Shrinker

The new C-B Manual Metal Shrinker is a portable tool, weighing only 12 lb., which can be mounted in a vise, on a bench, or on a portable stand. It will be manufactured by the C-B Tool Co., Aircraft Tool Division, Lancaster, Pa., not to compete with large production power shrinkers, but rather to expedite

short runs and maintenance "away from the shop."

It promises to shrink "sheet metal of 0.016 in. to 0.051 in. without adjust-



ment . . . angles to radius as small as 3 in." It has reversible jaws to "provide double life," a detachable handle, and requires a preference rating of AA-5 or better.

Stencil Ink

Lamp black and coal oil have been, almost from the dawn of shipping, the traditional ingredients of stencil ink for marking shipping containers. Now comes the Diagraph-Bradley Stencil Machine Corp., 3745 Forest Park Blvd., St. Louis 8, with D-B Stencil Ink, described as a "complete new formula" which "does not settle . . . does not require shaking each time it is used . . . dries instantly and requires little pressure in applying to the stencil. There is no building up of ink on the brush."

New Products Briefs

Also reported this week, not only for their interest to certain designated business fields, but also for their possible import in the postwar planning of more or less allied fields and business in general, are the following.

• Optical—In its new Marking Machine for putting the graduations and numbers on binocular adjustment sleeves and other instrument parts, the Acromark Co., 311 Morrell St., Elizabeth 4, N. J., uses an electrically heated die to sink the markings and fill them with color at a single, timesaving operation.

• Electrical—By the simple expedient of turning the hot part of its electric soldering iron downward to somewhat less than a right angle to the handle, the Hexacon Electric Co., 138 W. Clay Ave., Roselle Park, N. J., achieves the new Hexacon Hatchet Type Iron and a new ease for operators on many production soldering operations.



JUST HOW MUCH would you pay to have the nerve jangling noise demons banished from your office . . . to be free from the harassing clatter of business machines and the distracting hubbub of loud conversations? Whatever price you'd be willing to pay, it's probably more than a ceiling of Armstrong's Cushion-tone will cost. An esti-

mate you can get without obligation from a Cushion-tone contractor will prove it.

Cushion-tone has a noise-quelling factor as high as 0.75—thanks to 484 deep holes in each 12" x 12" unit. Neither time nor repainting by any method will affect this high efficiency. And Cushion-tone gives you a bonus of excellent light reflection and extra insulation.

FREE BOOKLET. Write for the name of your nearest Cushion-tone contractor and our new booklet. Armstrong Cork Co., Building Materials Div., 3011 Stevens St., Lancaster, Pa.





IN THE WORLD OF TOMORROW?

Chemistry will play a major part in shaping the world of tomorrow. What will be your place in it? Your interests depend on your course from now on. To shape your thought and action, visit this year's Exposition of Chemical Industries at New York's Madison Square Garden, December 6 to 11.

What you will see there at the exhibits, what you can learn there by discussion with exhibitors' technical representatives may inspire and direct your thoughts into new channels.

The wealth of new materials and equipment developed to meet the stress of war will profoundly affect the future of every business that depends on chemical processes in its own or in customers' plants.

Be sure to attend! Bring your associates too.

19th EXPOSITION OF CHEMICAL INDUSTRIES
MADISON SQUARE GARDEN • NEW YORK • DEC. 6-11, 1942
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4684



Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size — easier to handle. Tufts of longer, better fibres are more compact — provide "spring and snap" action. Handle instantly adjustable to height of sweeper — reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

FULLY GUARANTEED

Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.

Milwaukee Dustless
BRUSH COMPANY
534 N. 22nd St., Milwaukee 3, Wis.

WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation

Citrus Fruits

Retail ceilings for the citrus crop coming to market will be cut from 10% to 15% below 1942-43 season prices, but growers will be allowed a return somewhat higher than last season, according to announcement Nov. 18 by OPA. Economic Stabilization Director Fred M. Vinson rendered a Solomon-like judgment in awarding to oranges a ceiling of 9.5¢ a lb. War Food Administration had wanted a 10¢ ceiling; OPA a 9¢ ceiling (BW-Nov. 20 '43, p7). Ceilings for grapefruit are 8¢ a lb.; for lemons, 13.5¢ a lb.

Tobacco

Ceilings for farm sale prices of nine varieties of cigar leaf tobacco have been raised by amounts ranging from 3.3¢ to 14¢ a lb. above the average prices for 1942. This action, which for practical purposes completes the program to effect price control over cigar leaf tobacco, is in accordance with the congressional mandate to give farmers a return on their goods when they are placed under control. No increase in cigar prices is granted at this time. (Regulation 494.)

Motor Vehicle Parts

Several important changes to increase the available supply of essential motor vehicle replacement parts have been made by WPB. Restrictions on producers' inventories of finished replacement parts have been eliminated. All deliveries of replacement parts for resale or to consumers may be made as though the purchase orders bore the same preference ratings as those assigned to the manufacturer for production of these parts. Various items have been added to the list of replacement parts. (Limitation Order L-158, as amended.)

Great Lakes Iron Ore

Maximum rates for the transportation of iron ore by the "iron-ore fleet" on the Great Lakes have been temporarily increased 31.25%. This premium, good for the month of December, is identical with the one allowed in the same month last year. Its purpose is to encourage ore movements beyond the normal shipping season. (Amendment 53, Revised Supplementary Regulation 14.)

Fertilizers

A revision of the regulation covering fertilizers fixes dollar-and-cents maximum prices for every grade of mixed fertilizer, superphosphate, and potash, the manufacture of which is permitted by the War Food Administration. (2nd Revised Regulation 135.)

Servicing Raw Rubber

Cents-per-pound ceilings have been established for servicing plantation rubber, wild rubber, and guayule, at March, 1942, levels; also for servicing synthetic rubbers, and

balata. Services include weighing, sampling, testing, and financing rubber bought by rubber manufacturers. (Amendment 51, Revised Supplementary Regulation 14.)

Deliveries

Two collections and deliveries a day of certain perishable line-haul railroad freight now are permitted to facilitate movement of fresh fruits and vegetables, baby chicks, and other items. (General Permit ODT 6A.)

Delivery restrictions to conserve vehicles, tires, and gasoline do not apply to deliveries by bicycle, trolley, bus, or foot messenger, the Office of Defense Transportation has pointed out.

Anthracite Coal

The first measure by the Solid Fuels Administration for War to set quality standards forbids the shipping and delivery of hard coal that contains more ash by volume on a dry basis than the following percentages: broken, egg, stove, chestnut, and pea, 15%; No. 1 buckwheat, 16%; No. 2 buckwheat, 17%. These minimum standards, for Pennsylvania anthracite sold for domestic use, are generally lower than those which the anthracite industry has itself imposed.

Bituminous Coal

A new bituminous coal stock limitation program will become effective Dec. 1. Industrial plants and railroads having coal in storage equivalent to more than 25 days' consumption and public utilities having stored coal equivalent to more than 40 days' con-



Borden Mills, Inc.
Kingsport, Tenn.
Buckbee Mears Co.
St. Paul, Minn.
The Fairmont Creamery Co.
Moorhead, Minn.
Lummus Cotton Gin Co.
Columbus, Ga.

Plant Rubber & Asbestos Works
Emeryville, Calif.
Schirillo Aero Tool Engineering Co.
Los Angeles, Calif.
Utility Electric Steel Foundry
Los Angeles, Calif.
C. H. Wheeler Mfg. Co.
Philadelphia, Pa.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

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ception must reduce their current orders 75% or less of monthly burning requirements. The program permits consumers supplied with coal from the areas affected, Canada, and those supplied by tidewater New York harbor and New England, to maintain an extra 15 days' supply above the 3 and 40 days' limitation. (Solid Fuels Administration for War Regulation 10.)

Tiretreads and Recaps

Since Grade A camelback is now available for use on passenger car tires used on taxicabs and jitneys, maximum prices for recapping such car tires with Grade A camelback have been issued. Ceilings are in line with those for Grades C and F camelback, with allowance made for the increased cost of Grade A. (Amendment 7, Revised Price Schedule 66.)

Appalachian Hardwood

Temporary increases in ceiling prices for standard grades of hardwood lumber have been granted to compensate producers in the Appalachian region for higher production costs. Increases range from \$1 to \$11 per 1,000 b. ft., depending on the grade. Higher increases are to stimulate production in particular sizes. (Amendment 15, Regulation 46.)

Increased Civilian Goods

To supply hospitals with butter from November through March, up to 5,000,000 lb. will be released from stocks held by or for the Food Distribution Administration. . . . Victory gardeners will have better fertilizer for use in 1944, under a War Food Administration order making available three special grades. (FDO 5, revised.)

Other Priority Actions

Metallic sodium, used in the manufacture of high-octane gasoline, has been brought under allocation control by WPB Order M-357. . . . Users of tallow and grease are permitted to maintain a 60-day instead of a 45-day supply (FDO 87, as amended). . . . Restrictions on dichlorodifluoromethane (Freon-12) have been tightened by Conservation Order M-28, as amended, which relaxes restrictions on four refrigerant compounds. . . . Approximately 450 work clothing manufacturers have been ordered by WPB to set aside at least 25% of sewing machinery operated or controlled by them for Army procurements between Jan. 1 and June 30, 1944. (Directive issued under provisions of Paragraph [c] of Order M-328.)

Other Price Actions

Premiums in effect for the 1942 potato crop, for country shippers who pack potatoes in containers of less than 100 lb., have been reinstated for 1943 (Amendment 9, Revised Regulation 271). . . . Cents-per-gallon ceilings, f.o.b. producer's plant, have been provided for coal tar for plants which were not covered by the Aug. 20 ceilings (Amendment 1, Regulation 447). . . . An industry-wide 6% increase in manufacturers' prices for bobbins and spools used in textile machinery has been allowed by OPA (Amendment 5, Regulation 136).



Helping to achieve air supremacy through the greatest production program the world has ever seen . . . is this Inserted Section Carboly-fitted Saw, made exclusively by Disston.

Disston developed this exceptional saw for abrasive materials. And it is used by builders of aircraft to speed the cutting of ribs, struts and other structural parts made of abrasive aluminum alloys.

The unique design of this saw and its extraordinary records of continuous service without reconditioning are products of Disston's long and varied experience in the successful manufacture of standard tools of quality.

If you have any questions about Disston wood and metal cutting saws, files, hack saw blades, tool bits, machine knives, etc., write Henry Disston & Sons, Inc., 1128 Tacony, Philadelphia 35, Pa., U. S. A.

So another special tool is aiding war production through the Disston engineering and the Disston craftsmanship that give you better-working, longer-lasting standard tools.

DISSTON

Conserve Man-Minutes and help win the war



AGRICULTURE

Tractors Coming

Orders from White House
clear path for more machines;
manufacturers jeopardize their
positions if they don't comply.

President Roosevelt has made a firm commitment that farmers can rely on an expanded farm machinery program for the coming crop year. Word has gone out from the White House to WPB and the War Food Administration to let nothing interfere with fulfillment of recent plans to provide more tractors and other farm equipment.

• **Meet Quotas or Else**—With their hands thus strengthened, WPB and WFA feel they are now in excellent position to confront the farm equipment industry with an ultimatum: Either individual companies meet the quotas set last spring and seek increased quotas under a special appeals system, or the few companies which Washington feels really want to expand production will be allowed to go ahead without regard to the effect of this move on prewar competitive positions.

Complications in the farm machinery setup date back to the spring of 1942 when WPB's Civilian Supply Division took jurisdiction over the matter. Using what WPB and WFA men now admit were false statistical assumptions (such as adding 18-year-old tractors to two-year-old tractors to arrive at a national figure for farm traction power), Civilian Supply virtually shut off production by its effort to put over a concentration program.

• **Civilian Supply Eased Out**—Last spring, WPB Chairman Donald Nelson eliminated Civilian Supply's influence and killed the concentration program. In March, WPB and WFA officials conferred with the industry and gave manufacturers larger quotas which in Washington's opinion equaled 80% to 85% of 1940-41 production—but which the industry considered equal to about 40% in new machines. To permit the expansion, WPB amended its farm machinery order L-170 with a list of machinery and each company's production quota for each machine.

In effect, these quotas maintained the respective prewar competitive positions of the eleven major farm machinery manufacturers. In addition, WFA and WPB, which have been working in close harmony on the program, started the flow of metals necessary to carry out the production expansion.

• **Quotas Increased**—In June, WPB issued order L-257 stepping up quotas

to 80% of 1940. In September, WFA began receiving reports from the grass roots that some companies would not be able to fill these revised quotas, particularly the tractor quotas which are the most important. As of Jan. 1, 1943, there were only 2,000,000 tractors on 1,500,000 of the nation's 6,000,000 commercial farms. Half the existing tractors are what are known as old-style machines.

What WFA saw in checking into the grass roots reports was that eight of the eleven manufacturers were lagging behind their quotas and that only Ford, Ferguson, Deere, and Case were maintaining their schedules. It charges the others with outmoded purchasing policies and a failure to enter into the program with real enthusiasm.

• **A Different View**—What manufacturers saw was a bookkeeping lag which might worry a theorist but not a practical shopman who knows that a year's increased production schedule is not ground out evenly one-twelfth per month. The big companies until last March were actually restricted to less than 20% of 1940, and since June have been authorized to make 80%.

Steel ordered in June is just now reaching their shops to be cut up into tractors. Typically, one big company has boosted output from 50 per day last March to over 200 per day now and the rate is still climbing. WPB recognized the realities last month by accepting

amended manufacturing schedules for each company add up to the total number of units by July 31. Industry experts feel sure every producer is currently abreast or ahead of this schedule, which now supersedes others.

• **Star Performers Praised**—To back their side of the argument, WFA officials cite one company which ordered certain steel from its normal supplier, and, when it couldn't get this, try to find another source or an adequate substitute. On the other hand, WFA men have nothing but praise for the way their three star performers have scratched around to get their own component parts where WPB priority scheduling assistance fell short of job.

To step up the current program, WPB and WFA let the industry know several weeks ago that unless a manufacturer would take full responsibility for meeting his quota—without any official commitment assuring him supplies of critical components which are scarce—part of his assignment would be turned over to a more optimistic competitor. Under Civilian Supply, only 25,000 tractors were scheduled for the year ending July 1, 1943. Under the expanded program, an additional 125,000 tractors were scheduled for the year ending July 31, 1944.

• **None Foresee Failure**—Upshot of WPB's move toward extracting guarantees from manufacturers was that no one would admit he might fall down on current quotas (BW-Nov. 13, p19). Ford, Case, and Deere submitted detailed engineering analyses to prove



CHANGE ON THE RANGE

Meat rationing is hitting Hollywood on the movie lot as well as in the bread basket. Quickie "horse operas" that formerly used thousands of steers for standard stampede scenes now use

only a handful (above). The reasons Ranchers aren't so anxious to rent out their steers for the fat-ruining runs any more, although studios always pay for that damage; Hollywood doesn't have enough cowboys to stop those big movie stampedes these days.

"Tool Room" Accuracy for volume production

Acme-Gridley Automatics have introduced two important new factors into mass production technique under the exacting requirements of war.

One is "tool room" accuracy—tolerances no longer measured in mere thousandths, but in "tenths".

The other is adaptability. War industry moves too fast, and changes in the design of battle equipment are demanded too quickly, to wait for special "one-purpose" machine tools.

And these two contributions have made possible a third of great significance—lowered costs through savings of time.

New reduced cost standards will be of greatest importance to industry when the time comes to reconvert to peacetime manufacture.

The NATIONAL ACME Company
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ACME-GRIDLEY AUTOMATICS
maintain accuracy at the highest spindle speeds and
fastest feeds modern cutting tools can withstand.



IT was a surprise dawn attack! Scores of huge artillery pieces were wheeled into position down tortuous mountain slopes and over the punishing deserts of Africa. Tons of guns always under complete control—eased along or stopped short by Warner Electric Brakes. Yes, modern tractor-trailers and many other types of power equipment will be *braked electrically* after the war. Warner Electric Brakes, performance-proved on thousands of essential motor transports and artillery pieces in grueling war service all over the world, will be available for a wide range of new applications.

Warner Electric Brake Mfg. Co.
Beloit, Wisconsin



CONTROLLED SPLIT-SECOND STOPPING POWER FOR ANY PURPOSE

their ability to handle increased quota. Ford even said that if WPB could get bearings for him, and if his plants were prevented from making them for his tractors, he would buy these parts from secondhand Ford automobiles and use them in properly labeled "Victory" tractors.

Ford's quota has been increased to 1,000 tractors, Case's 5,000, and Deere 4,000. The other companies didn't make appeals for larger quotas. Some women doubt that they will be able to meet their current quotas.

• **Reasons Are Immaterial**—Government men are realistic enough to know that the companies pushing for increases have good business reasons for doing so. They know that Ford was just cracking the tractor field in a big way when he came. But WPB and WFA say they don't care what the reasons might be. They want the tractors and are on the side of anyone who is willing to produce them.

Food Helper

Tractor manufacturer has a plan to mechanize agriculture of war-stricken nations to get them back on their feet.

Harry Ferguson is trying to drum up a big market for American farm implements in rehabilitation of war-stricken nations. Ferguson, head of the company bearing his name and producer of tractors in conjunction with Ford Motor, launched his idea when he showed off his light tractors (BW-Jul.15 p17) for delegates to the International Food Conference, and he has been bending the ears of all receptive officials ever since.

• **The Case Presented**—One of Ferguson's arguments runs like this. There were, in all of Europe, only 151,000 tractors before the war started. The campaign to feed liberated nations could be greatly eased if their farms were mechanized on either a cash or a lease basis. Similarly, he contends that the output of China could be greatly increased if a degree of mechanization were accomplished. And he extends the same theory to cover India.

Furthermore, Ferguson suggests that the economy of many of the industrially backward nations could be bolstered if American manufacturers established assembly plants abroad and gradually undertook to let out subcontracting at least for a few parts in countries where the products were to be distributed. All this he envisages being done under the auspices of the interested governments.

• **Some Handicaps**—Some of Ferguson's competitors, with long experience in the

part field, aren't as optimistic about prospect as the Detroiter. They cite established system of land ownership in most of Europe, which has resulted in the vast majority of farmers' holding plots that are very small by American standards, as militating against mechanization.

And to suggestions that India alone might be a market for 20,000,000 tractors, one company executive shouted "ridiculous" (with expletives). He decided that the Indian method of dividing farms and marking boundary lines greatly precludes the use of tractors, any attempt to put tractors on Indian farms (excepting for a handful of big corporation-owned projects in isolated territory) would result in bloodshed, social upheaval, and the complete throw of existing land rights.

Cotton-Bale Picker

Acute shortage of cotton and labor may result in WPB ban on International Harvester plant in Memphis.

Just a year ago, International Harvester Co. announced it had developed mechanical cotton picker that would operate profitably under conditions prevailing in the principal cotton growing areas of this country. It has not been produced in commercial volume, because the war caught it before the company could tool up for quantity manufacture.

But this week, Harvester executives

hoped for early War Production Board approval of a proposed cotton picker plant at Memphis to help relieve an acute shortage of cotton field labor. WPB's Facilities Committee will not act until it has surveyed the cotton and textile situation. In making its decision, the committee will not consider post-war problems such as the number of farm workers a cotton picker might throw out of work.

• **Farm Bureau Wants Action**—The Mississippi Farm Bureau Federation, harassed for field hands, this month asked Harvester to what specific project it might throw support in Washington to obtain mechanical cotton pickers for 1944, and thus brought the situation to a head. The company sees no possibility of producing many cotton pickers for next year even if the project should be approved immediately, but it needs an early start to produce in time for the 1945 harvest.

• **Hand Labor Crop**—Cotton is the last major U. S. crop to depend upon hand labor for a vital part of its production. Its harvesting has required proportionately more human labor than any other agricultural crop, millions of people working several months a year. Bolls mature unevenly on the plant, so that two or three pickings are required. Inventors were stymied for years in trying to devise a machine that would remove ripened lint without damaging unripe bolls and the plant.

In some regions where labor has never been plentiful and where cotton plants are low, growers have used sleds and strippers to gather the lint after frost removes most of the leaves (BW—Oct. 16 '43, p17). But these devices pick some

"Go over" better

**the very next time
you make a
talk or
speech**



Dip into this new book for 15 minutes or half an hour when preparing your next talk . . . you're bound to come up with half a dozen valuable tips on delivery, and modern stories and quotes to add a lot of life, color, and punch to your talk. From these notes of a capable and long-experienced speaker you can get sensible advice and usable ideas for quick application in the kind of speaking jobs you are interested in. Gives a great collection of quotable material, both serious and humorous, and simple factors of successful speaking, presented in a way that you can follow easily and use with good effect on your audience and in development of your own confidence and satisfaction.

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334 pages, 5½ x 8, \$2.50

• How to improve your skill and effectiveness

This book takes up public speaking from a realistic approach—gives dozens of down-to-earth tips, unembellished by any complicated theoretical approach, that you can apply in adapting your subject matter to the audience and the occasion, in using illustrative material effectively, making a good impression at start and finish, getting over platform jitters, acquiring a pleasant manner, getting your talk across, etc., etc.

• **How to use humor in public speaking** is given special attention in two chapters that tell when to use a story, what kind to use, how to tell a story—pointers that will help many speakers to make better use of this important technique.

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and quotes to drive home points in your talks

12 stimulating addresses by prominent people, dealing with today's most pressing problems, are outstanding examples of well-developed talks, well worth study. In addition, they offer you quotations and source material for discussion whenever your own talks touch on these topics.

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Company BW-11-27-43

Part-Time Logging

Behind the wartime paper shortage is the scarcity of labor to cut timber (BW—Oct. 30 '43, p19). Helpful are woodlots where farmers can now use postharvest time to work a few hours with ax and saw. A promoter of

this method is the Merrill (Wis.) Daily Herald which recently sponsored a farm logging campaign in cooperation with eight paper mills. The drive's climax was a big parade of timber (above) at nearby Tomahawk—with prizes for such items as the best loads of peeled hemlock timber.

Helping Build the "Arteries" of Our Flying Fortresses . . .



KEYSTONE wire

Into each Flying Fortress goes *six miles* of wire "arteries" that make up the intricate electrical system. This is just *one* reason why wire mill production is "drafted" for the duration . . . literally *thousands* of other products for war use are made from Keystone wire, rods, and billets.

And . . . while on this industrial march to *Victory*, new methods and vastly increased facilities are being developed at Keystone. So we'll be in a better position than ever to meet the tremendous pent-up civilian demand as soon as the war is over.

KEYSTONE STEEL & WIRE CO.
PEORIA, ILLINOIS

Special Analysis Wire
for All Industrial
Uses



A little scrap *today*
can end the **BIG**
SCRAP *tomorrow*.

leaves, stems, and rubbish, lowering grade of the cotton. Also, the early ripened lint left out in the weather await the later bolls suffers some deterioration.

• **Rust Picker**—Two mechanical cotton pickers have gained recognition as practical in picking only the ripe cotton. First of these was the Rust picker, developed by the Rust brothers of Memphis and introduced some years ago. This has had some difficulties in the Mississippi Valley, because in weather it may bog down behind a tractor, and also it picks a grade lower than hand pickers. However, it is now being used in Arizona and New Mexico in the drier irrigation area where acute labor shortage has given it a chance.

• **Models Tested**—International Harvester Co.'s picker, second entrant in the field, has thus far been practical, handmade in the firm's experimental engineering shops. Thirteen have been completed and tested in the principal cotton producing areas of the Midwest, Southwest, and West.

International dealers report they have dozens of orders on a when-and-if basis. Ten of these machines were sold to yield owner-operation statistics. They probably have picked some 200 acres apiece, making an average of two-and-a-half-fraction trips over this acreage.

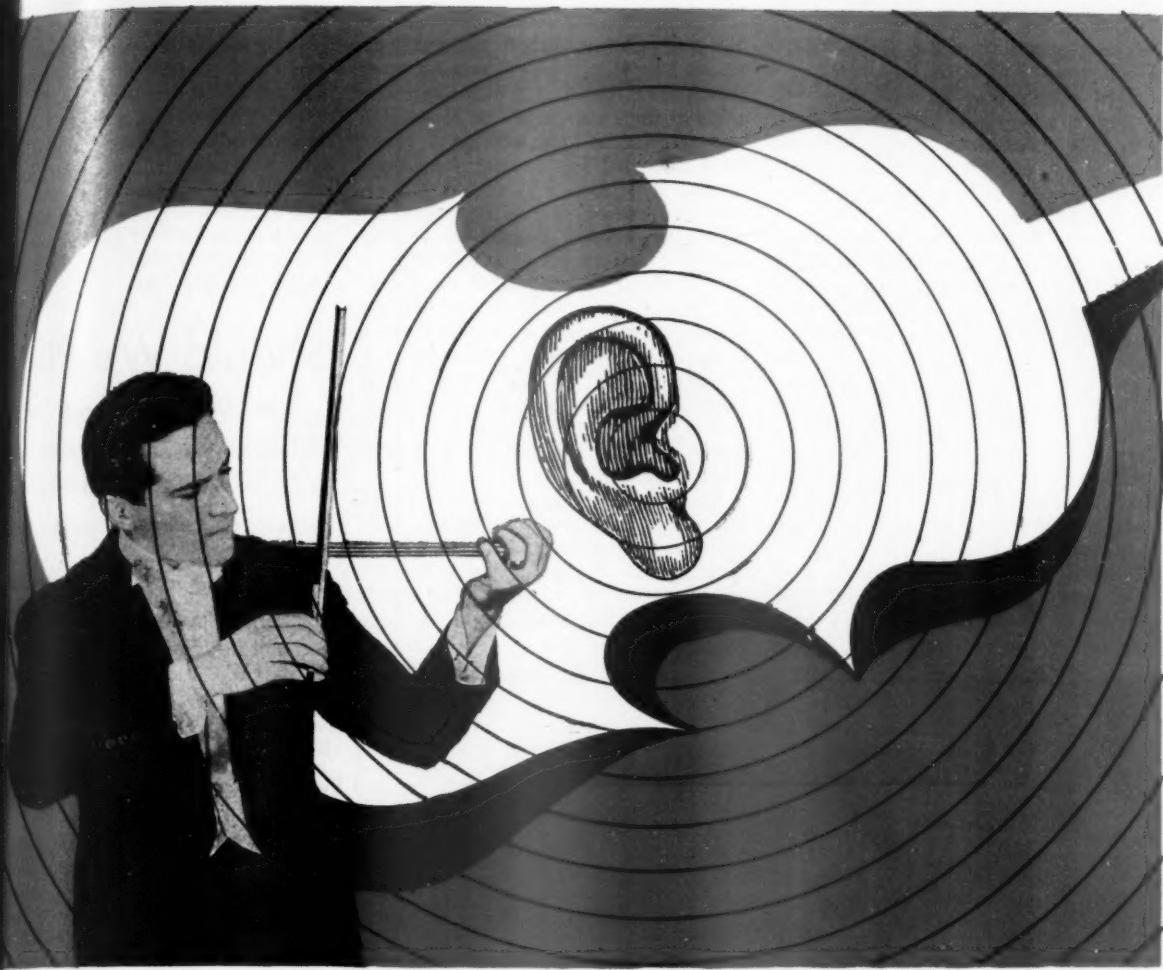
• **Price Factors**—Eventual selling price of the International picker has not been determined. It is a complex machine to make, costing at the outset more than a 12-ft. combine or a 2-row corn picker somewhere above \$1,500. It must be mounted on a medium-size Farmall tractor, requires one operator.

Presumption is that it will follow the pattern familiar in the farm equipment industry, eventually developing small sizes and lower costs, thus broadening sales possibilities.

• **Adjustment Takes Training**—Experience thus far indicates that maintenance cost will be little or no greater than that of any other large piece of heavy machinery. The company sees the maintenance problem on cotton pickers as not one of mechanical breakdown but of training branch and dealer organizations and the user in adjusting each machine to the particular field conditions it will encounter.

A good average field hand can pick 150 lb. of seed cotton in a ten-hour day. This gins out to about 50 lb. of lint. A bale of cotton is 500 lb. Hence it takes ten good average hand pickers to pick a bale of cotton in a day.

• **Five to Eight Bales**—Picking rate of the International machine depends on the amount of ripe cotton on the plants. Rule of thumb is approximately a bale every 75 minutes. This figures out eight bales in a ten-hour day. However, because of turnaround and unloading time, the company conservatively says



The violin it took 400 years to make!

THE SECRET OF STRADIVARIUS, according to many authorities, was a mysterious varnish. Only Stradivarius knew its ingredients. And this magic varnish imparted a lustrous tonal quality to his violins which has never since been equalled.

At any rate, the violin is perhaps the only instrument used by man whose development has not been bettered for 400 years! A short time ago, however, a young genius had an inspiration. Reasoning that the vibrations of the gut could be transmitted electrically, he eliminated the entire tone box. In its place he employed an electrical amplifier. And experts say its tonal quality is the equal of the finest Stradivarius ever made! Inspiring proof that machines—or their products—can be harnessed to bring more beauty into the world!

Yes, machines are the keystone of our world of tomorrow. Whatever we build for the future...whatever we create for our children, those things will have their roots in machines. And the machine tool industry will make them possible.

In peacetime, the mass production of metal parts is an economic necessity...in wartime, a military necessity. That's why Cone Multiple Spindle Automatic Lathes, key mass production machines of peacetime industry, are of such vital importance today. They are busy turning out parts for guns, tanks and airplanes.

Cone Multiple Spindle Lathes are now helping to build instruments of war. But in the peace to come, they will again be dedicated to building a better, brighter world.



CONE Automatic Machine Company, Inc., Windsor, Vermont

"the machine will pick as much cotton in a day as can be picked by from 50 to 60 hand pickers in the same field," which means five or six bales.

Cost of operating the machine is one operator's wages, plus tractor operation, plus picker maintenance and depreciation—as yet unknown because no machine has been run long enough to show appreciable wear.

• **Compare Wage Costs**—Average wages in the Delta this year have been \$2.00 to \$2.25 per cwt. of seed cotton, or 33 lb. in ginned lint equivalent. Wage cost of picking the machine's six bales by hand, on this scale, would exceed \$180.

Just before the war, the wage rate was \$1.50 to \$1.75 per cwt. of seed cotton, and it had been going up steadily for several years since the depression.

Cost-saving opportunities for the mechanical picker appear to be good enough in peacetime to earn it a place on plantations.

• **Limited Claims**—International carefully limits its claims for profitable application. It thinks that, to be a prospect for its present picker during or

after the war, a grower should cultivate somewhere near 200 acres of good cotton land yielding a bale to the acre, with plants 2 to 4 ft. high. There are many plantations that meet these specifications in the Delta region of Mississippi and Arkansas, in some sections of Texas, in California, and in the long-staple section of Arizona.

Group ownership or custom picking will offer market possibilities among smaller farms in good cotton areas.

The maker also stipulates that profitable operation is restricted to districts where cotton gins nearby have been equipped with cleaning and drying machinery selected for the processing of machine-picked cotton. Machine-picked cotton necessarily contains more green leaf and other trash than does hand-picked.

• **Need Pre-Gin Equipment**—Makers of ginning equipment cooperating with Harvester's engineers have developed cleaning and drying machinery through which picker cotton should pass before ginning. Installations include a large unit at Osceola, Ark.

By the time the picker is in commercial production, Harvester expects ginning machinery installations in regions best adapted to mechanical picking will be abreast of requirements.

All of the cotton picked in 1941 International machines went through gins adequately equipped for cleaning and all was of what the cotton trade calls marketable grade. This means it was marketable at harvest time, while cotton of lower grades usually has to be stored for later sale.

Should We Plow?

Farming without turning soil has many advocates [soil conservation] in D. of A., some nonfarmers but experts keep fingers crossed.

Before a meeting of farm experts in Chicago a few days ago, Dr. Hugh Bennett, chief of the U. S. Dept. of Agriculture's Soil Conservation Service, displayed a tillage implement shaped like a bat's wings. He told his hearers that this and other tools of the same general sort are likely to replace the fashioned moldboard plow upon which agriculture has long depended to till the soil.

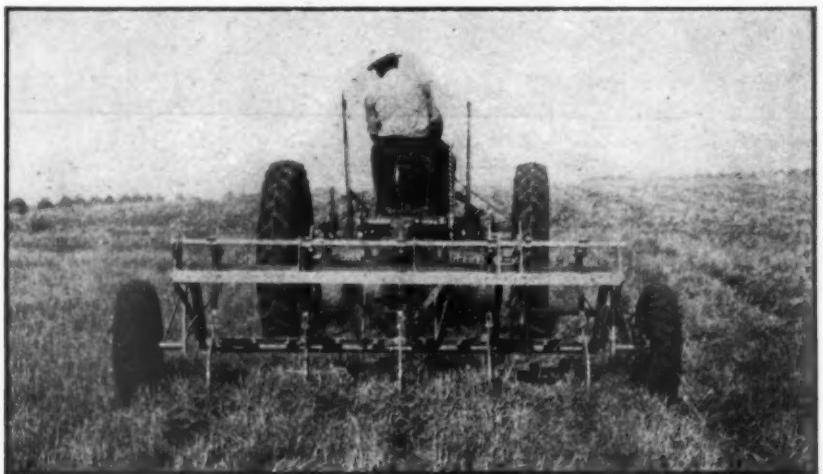
Many an implement of similar purpose, he declared, had been designed and tested by the big farm equipment makers. Sole reason why these had been marketed with all the power of the farm machinery trade was that wartime restrictions had withheld material, thus delayed their production.

• **Soil Is Not Turned**—The particular gadget that Dr. Bennett displayed was made by the Chase Plow Co., Lincoln, Neb. With its two wings spread to form a V, and with leading edges of the cutting surfaces lower than the trailing edges, the tool is designed not to turn over the soil as does a plow. Rather, it runs a few inches beneath the surface, cutting through weed roots and fluffing up the topsoil without burying straw, cornstalks, or other surface litter.

Retention of the rubbish on the surface serves as a mulch, prevents heavy rainfall from pounding the soil into a compact mass or washing away the topsoil, hinders evaporation, holds back germination of weed seeds, supplies food for the crop plants.

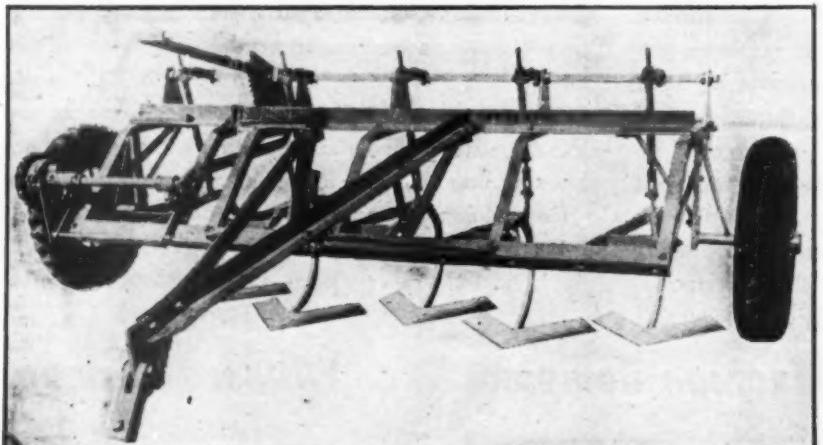
• **Principle Well Known**—The subsurface cutter is not a brand-new principle. Its widest application is undoubtedly the scuffle hoe, a tool that comes with ordinary hand-push garden cultivators.

Subsurface cultivation and stubble mulching of fields have long been established in a few U. S. areas. But most American farmers and city dwellers never heard of the idea until last summer. Then Edward H. Faulkner, a



In subtilage plowing (above), five sweeps are drawn through the soil without disturbing litter and stubble which serve as a mulch. Bat-wing

sweeps (below), made by Chase Plow Co., Lincoln, Neb., among others, are designed to run a few inches below the surface to fluff up the soil gently.



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Results of Experiments—Ever since 1932, the Soil Conservation Service has conducted experiments at Statesville, N.C., and Lincoln, Neb., in conserving soil and water by maintaining vegetative cover on the surface. Data from these tests show substantial advantages where corn and grain residues are subtilled, either for summer fallowing or for planting this year's crops among last year's litter and stubble. Notable results include less runoff and greater water retention, reduced soil loss, and consistently larger crop yields.

Dr. Bennett is the outstanding advocate of subsurface tillage. His official prominence helps convince doubters when he enthusiastically backs up most of Faulkner's vivid claims.

Still Some Jobs for Plow—Bennett admits the moldboard plow is still needed for a few specialized tasks such as building field terraces, plowing contour furrows, and ditching. Otherwise, he vigorously asserts, everybody would be better off for sticking to subsurface tillage—or, to use its other names, trashy plow or stubble mulch.

By no means do all of Dr. Bennett's own scientists and technologists in the Soil Conservation Service agree with his whole-souled enthusiasm for subtilage as a farm cure-all. His claims are embarrassing to the scholarly experts when they meet their fellows at technical meetings.

Doesn't Work Everywhere—There are many tests being published—some by the Soil Conservation Service—which indicate the method may be ill-adapted to local conditions. In Illinois experiments, for instance, subsurface tillage has uniformly reported lower yields than conventional tillage methods.

Faulkner's broad claims draw fire along similar lines. Few agronomists, in the universities or in Washington, recognize the validity of his all-inclusive conclusions derived from experimenting on a small patch of land in a single section of the country. A given brand of hair tonic may remove dandruff, they say, but it does not necessarily prove equally good for fallen arches. They knock up their doubts with talk of corn borer control, nitrogen deficiencies, and other weaknesses they see inherent in the Faulkner-Bennett system.

Favored Areas—Subsurface tillage so far has proved itself in several semiarid regions and where great heat must be withstood. Chase's bat-wing plow pays in areas of light rainfall west of the Missouri. A special subtilage sweep devel-

Map Showing Division of Country into Districts for the Service of our Customers



In Every State

THIS BANK has customers in every State. For their convenience and service, the official staff of the Bank is so organized that **special groups of officers are in close touch with the business of these customers in various sections of the country.**

This enables us to make our complete facilities of the greatest possible value to customers, with due regard for their local banking connections, and it affords the experienced and continuous **individual service** that is so desirable.

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Globe-Wernicke
NOKOOGEE 11
CINCINNATI, OHIO

oped by a small manufacturer near the Canadian line has brought down upon the War Production Board and the War Food Administration the urgent pleas of some hundreds of Montana farmers who want to buy from him more than the 40 units he may legally make this year.

Mack Gowder of Gainesville, Ga., has for 20 years consistently exceeded local average yields by cultivating his 100 acres with a special type of bull-tongue plow that scratches the soil deeply instead of turning it over.

- **Manufacturers Ready**—Soil Conservation Service men report that at a South Carolina demonstration, International Harvester Co. recently showed more than 50 tools for soil conservation practices, several of these subtilage methods. Other major manufacturers have comparable implements on ice awaiting the postwar thaw. Dozens of small farm equipment firms have taken up the idea. Once subtilage equipment can be freely made, farmers will not lack tools with which to try it out.

An operating advantage of this system is that it requires less traction than turning plows. A team or tractor can work a broader strip of soil while pulling sweeps, straight blades, or other subsoil cutting tools than when turning over furrows with a moldboard plow.

- **Variety of Equipment**—Assorted combinations of appliances have been developed experimentally for assorted field conditions. These include press drills equipped with flat disks to work through the residue, drills with wings to sweep litter aside at the instant of seeding, corn planters with disk furrow openers attached to stub runners, and corn cultivators to which have been attached sweeps and rolling coulter shields.

Hold That Land!

Farm sales are verging on runaway boom, warns Wickard; he advocates stiff resale tax, but Congress is in no mood for it.

Ever since the war started, the Dept. of Agriculture has been keeping an anxious eye on farm real estate prices, watching for signs of another land boom like the 1919 spree. By now, the department's worrying has acquired the status of official policy.

- **Runaway Boom Is Feared**—Secretary Claude R. Wickard told the recent meeting of the National Grange that the brisk activity in the land market (BW-Jun.12'43,p24) threatens to turn into a runaway boom.

To head off another cycle of frenzied speculation followed by violent collapse, he advocates a prohibitive resale capital gains tax on land. The size of this fed-

eral tax would vary with the length of time land was held after purchase.

- **Congress Aloof**?—Unless the land market actually goes through the roof, Congress is almost certain to give the secretary's suggestion a cold shoulder. Wickard himself says that he is thinking of future danger only, that present prices are not out of line with income prospects.

Farmers and their influential representatives in Congress say that price have a long way to go before they hit anything like a fair value.

- **Values Up Slightly**—At present, farm real estate values stand slightly above the level of the years preceding the World War. Agriculture's index of estimated value per acre has hitched itself up to 102 (1912-1914 is 100). This represents a gain of about 20% over the 1940 level, and about 40% over the 1933 low, when the index dropped to 73.

Farmers think the rise is fine as far as it goes, but they remember the peak of the 1919-20 boom, where the index hit 170 and Iowa corn fields that now bring \$200 or so sold for \$500 an acre. They can't see anything in the present market that resembles a man-size boom.

- **Depends on Income**—Over the long run, farm land value depends pretty much on farm income. Hence, without an accurate estimate of what farm income will be after the war, no one can say whether present prices are out of line. Agriculture has made one study based on the assumption that after the war there will be a slump in income equal to the percentage drop after the World War. The department reached the tentative conclusion that present values are just about equal to "waranted values."

- **Gains Vary**—Although the rise in agricultural land values has been fairly general, the degree has varied in different sections of the country. In comparison with the 1935-1939 average, Kentucky real estate has gained over 50%, tobacco prosperity accounting for much of the jump. The South, Midwest, and Far West have done pretty well. The Dakotas and Nebraska still stand a little below the 1935-1939 average, largely because forced sales and foreclosures during the days of depression and drought left the market in wobbly shape.

In general activity, the present market looks stronger than it does pricewise. Voluntary transfers are higher than they have been in any year since 1919, and foreclosures are back to predepression levels. Most of the buying is on a fairly conservative basis—about 45% of all purchases are for cash, and on mortgage deals the average down payment is about 38%.

- **City Money Plentiful**—A large part of present demand is coming from farmers who want to expand operations, but

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unusual amount of the buying represents city money. Department economists think they can trace areas of higher prices and stepped-up activity around some of the larger cities, particularly Chicago and Los Angeles.

Nobody knows how much of today's buying is a true investment, how much a hedge against inflation, and how much is speculation. Quick resales—the symptom of speculation—are on the increase, but for the country as a whole, the turnover is rather slow.

Farm land around Los Angeles has the highest resale rate—about 20% of the farms that change hands in that area are sold again within two years. In the Corn Belt the resale rate is less than 5%. By comparison, in the last boom sales in Iowa hit about 33%.

Gardens Hailed

Back-yard plots credited with production of 42% of nation's vegetables despite shortages of tools and fertilizers.

Last December professional garden enthusiasts teamed with commercial nurserymen, garden suppliers, and interested industrialists to form the National Victory Garden Institute and spur the growing drive for the U. S. Dept. of Agriculture's announced goal of 1,000,000 Victory gardens.

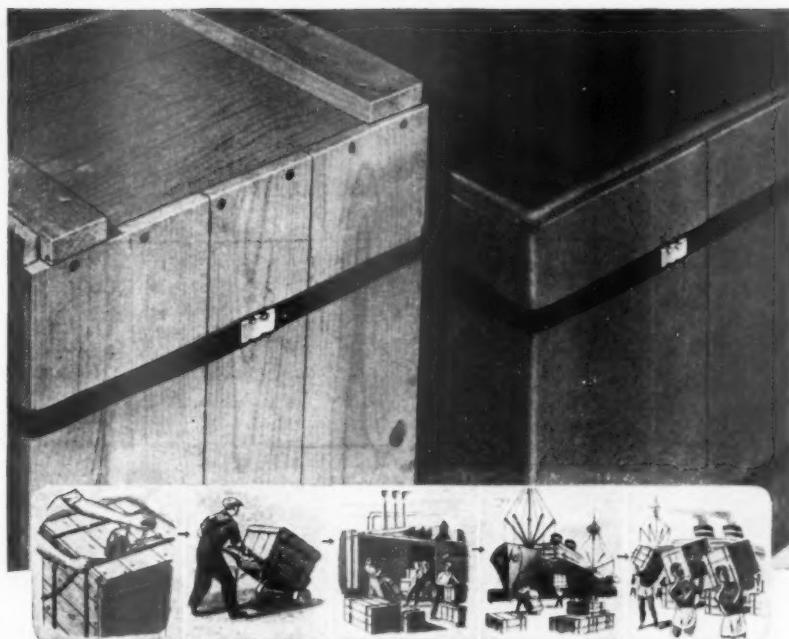
Eight Million Tons—Last week in Chicago speakers at the institute's third conference in less than a year divided their time between (1) congratulating the nation's Victory gardeners on the 7,949,000 tons (government estimate) of produce from their 20,000,000 plots, and (2) laying the groundwork to assure plenty of seeds, fertilizer, insecticides, tools, and volunteer professional leadership for 1944.

Since those 7,949,000 tons represented 42% of the nation's vegetable production, and military and lend-lease requirements were taken from the commercial output, the institute crowed that "amateur agriculturists" had grown half the vegetables available to U. S. civilians in 1943.

Estimates Challenged—More than one conference speaker considered the Dept. of Agriculture's estimates unduly conservative. One of these was James H. Burdett, director of the National Garden Bureau—a rival organization established in 1920 by the American Seed Trade Assn. to convert World War gardeners from vegetables to flowers.

Burdett argued that the amateur (1) spaces his rows 18 in. apart, compared with the 36 in. farmers must allow for mechanical cultivating; (2) increases his yield with "successive" and "compan-

THE SAFEST DISTANCE ... BETWEEN TWO POINTS



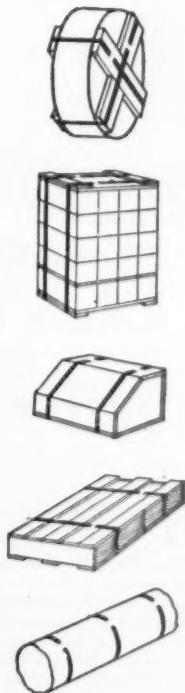
"Bound To Get There" with *Acme Steelstrap*

"Gittin' thar fustest with the mostest" . . . That is the way one famous general defined the elements of Victory.

But America is doing this and more by assuring safe delivery at point of destination . . . "Bound To Get There" with Acme Steelstrap. Name any point on the globe . . . choose any product . . . Material, vital to Victory must get there fast—take a terrific beating on the way and arrive in usable condition . . . and it can, thanks to Steelstrap.

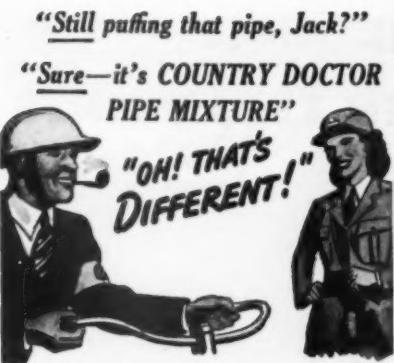
These tough steel straps go on fast, hold the precious contents intact "through thick and thin," comply with government specifications. In fact, Acme Steelstrap affords protection for any kind of pack that makes it "the Safest Distance Between Two Points."

We are learning valuable lessons from this war that will apply during the post-war period. Then, as now, we will be glad to show you how you can save weight, bulk and packing time. Our complete service is at your disposal. There is no obligation.



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Yes, Country Doctor **IS DIFFERENT**. On duty or off, at work or play, you'll find it soothingly cool with not a bit of bite or burn. Years of careful testing and blending of eight of the world's finest tobaccos produced superbly fine **Country Doctor Pipe Mixture**.

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Country Doctor *Pipe Mixture*

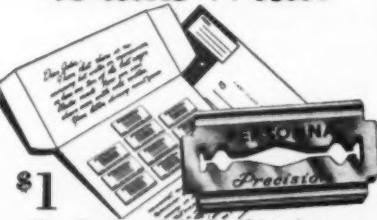


For particular Pipe Smokers

If your dealer doesn't have it, write Phillip Morris & Co. Ltd., Inc., 119 Fifth Avenue, New York, N.Y.



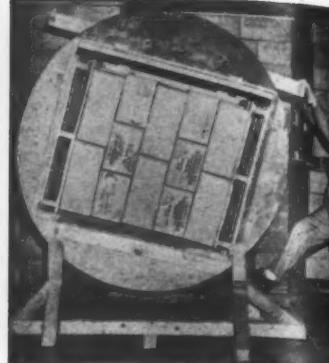
PERSONNA Blade Mail



The Perfect Gift Combination—a cheerful, newsy letter from you in a clever, ready-to-mail folder containing 10 Perfect Personna Precision Double Edge Blades. Blade Mail can be sent to anyone in the U.S.A. or to Service Men anywhere, any time, first class, for 6¢ postage.

A GRAND GIFT FOR ANY MAN

PERSONNA BLADE CO., INC.
599 MADISON AVE., N.Y.C.



MILK TURNOVER

Every 30 days canned evaporated milk should be inverted to prevent solids from precipitating—a sizable chore for grocerymen, a mammoth task for Army warehousemen. Formerly re-

quiring plenty of muscle and time in some 20 military depots, the job is done quickly now by a "milk turning machine" (right) which can be operated by women. Into it a lift truck slips 25 cases, and the wooden drum is flipped over by hand.

ion" planting; (3) harvests all his produce, while only a third of the commercial production is actually eaten because inferior vegetables are discarded and 12% to 30% of shipments may be lost before they reach consumers.

He termed this year's Victory garden harvest as significant nutritionally as quantitatively, since gardeners raised the vitamin-rich, red, yellow, green, and leafy vegetables.

• **Firms Get Plaques**—The institute reported that several hundred companies responded to its campaign for industrial gardens; to 81 of these it awarded plaques "in recognition of patriotic service."

Preliminary returns from an institute survey indicated that most of the country's gardeners found the seed supply adequate (BW-Mar. 20 '43, p38); weathered the tool shortage by borrowing from each other; complained about the quality of Victory garden fertilizer but made it do; and were handicapped by lack of insecticides.

• **Pressure Canners Faulty**—Most frequent complaint concerned pressure canners said to be too few, too late, and of inferior quality. Favorite crops, as indicated by seed sales, were beets, carrots, beans, tomatoes, lettuce, Swiss chard, and sweet corn.

FARM WASTE WIPERS

Peanut hulls, rice hulls, corncobs, and other agricultural wastes are going to work as cleaners for greasy machines and parts.

Ground finely enough to pass through a 16-mesh screen, the material is shot from the $\frac{1}{8}$ -in. nozzles of ordinary sandblast guns. It will remove grease, oil, carbon, corrosion, and dust from valves, bearings, pumps, or other

mechanical parts without appreciable surface wear.

Scientists of the Northern Regional Research Laboratory of the U. S. Dept. of Agriculture, Peoria, Ill., who developed the process in cooperation with the armed forces, found rice hulls clean more rapidly than the other wastes, but are slightly abrasive to steel because of their high silica content.

FARMER LOOKS AT INDUSTRY

Business prospers when agriculture does; that's one thing that farmers are pretty sure about.

On a variety of other questions of current economic significance, a study made by Crossley, Inc., for the Assn. of National Advertisers and presented at the association's convention in New York last week, the tillers of the soil are less unanimous. Where 96% of those questioned felt business prospered when farming did, only 79% were convinced that farmers did well when industry did.

While 76% of the farmers agreed that business is doing a fair to excellent job of marketing agricultural products, 58% said too much money was being made in the distributive process. Moreover, 60% believe manufacturers in general are making excessive profits out of the war, but 78% believe nevertheless that private management rather than government should run the plants.

Three quarters of those interviewed think business is doing a reasonably good job to help win the war, but only 26% will say the same for labor.

As to advertisers, 93% think business has done a fair to excellent job through its advertising on rationing, war bonds, salvage, manpower, etc.; 78% believe, too, that advertising in general has helped the farmer in various ways.



Back the Attack - with War Bonds

Taskmaster

The Flying Fortress* first spread her giant wings on the drafting boards of Boeing engineers. Today, Boeing's plans have been made available to others and Fortresses are being produced by three more aircraft manufacturers . . . Boeing, Douglas and Vega.

This co-operative BDV agreement sends Fortresses roaring in ever-increasing numbers through Axis skies. But it also requires the strictest measurement standards. Wings, bomb-bay doors, engine mountings, and other assembly parts made in one plant must fit perfectly a Fortress made in any other plant.

To insure complete inter-company uniformity and interchangeability of parts, Boeing designed and built a series of master gauges—many of them larger and more complicated than the one shown above.

An identical set of these gauges has been supplied by Boeing to each company making the Fortress. Against them are checked, often to the thousandth part of an inch, the countless parts that make up these great battleships of the skies. No compromise is permitted. The master gauge is the taskmaster from whose verdict there is no appeal.

As a result, ground crews anywhere in the world working to get a battle-damaged Fortress back into the sky know that replacement parts will fit.

Sound engineering and rigid adherence to the highest possible standards form the Boeing creed. It is vindicated daily by the performance records of Boeing Flying Fortresses, everywhere.

After Victory, when Boeing turns its design, engineering and manufacturing skills to peacetime products, this same creed will still prevail. Then as now you'll know that whatever the product . . . if it's "Built by Boeing" it's bound to be good.

DESIGNERS OF THE FLYING FORTRESS • THE STRATOLINER • PAN AMERICAN CLIPPERS

*THE TERMS "FLYING FORTRESS" AND "STRATOLINER" ARE REGISTERED BOEING TRADE-MARKS

BOEING

MARKETING

1-2-3 for Stores

That's the designation of new plan to control markups on nonfood items at retail, and it has merchants scared.

Nonfood retailers, notably the department stores, who have long begged the Office of Price Administration to make sundry revisions in the 1,000-odd price regulations under which they must live, now are afraid they may get more than they want.

They asked for crumbs (albeit pretty substantial crumbs), and OPA has produced the whole loaf. By and large, they would rather have the crumbs.

• **Promise Made Early**—When Chester Bowles became OPA's general manager last summer, later to become its head, he brought Reagan P. Connally, president of the Interstate Department Stores, in as chief of a new Consumer Goods Division. One of the first promises of the Bowles-Connally regime was that OPA would consider the possibility of an over-all price regulation for all retailers outside the food field.

Assumption was that this would supersede both the General Maximum Price Regulation and the welter of troublesome commodity regulations—so far as retailers were concerned.

• **Willing to Back Out**—In the past month, the idea of a new price regulation has gradually taken on a more-or-less concrete shape. It is still pretty fuzzy, but the outline is clear enough so that most of the retailers who have had a good look at it would just as soon not have any.

The new pricing program has been dubbed the 1-2-3 plan. Here it is:

(1) A store's total markup would be limited to that which it averaged in a base period (probably 1940). Within this limitation, a retailer could price individual merchandise as he pleased. If he wanted to increase his markup on fur coats, for example, pricing a Persian lamb coat at \$600 instead of the \$550 to which he might be held under present regulations, that would be perfectly legal—providing he shaved his markup on some other item, coming out to the 1940 average for all merchandise.

(2) As an exception to the general plan, a retailer would be limited as to the percentage of markup he could tack onto a long list of items designated Group I. These Group I items would be the necessities of life, culled from the list of cost-of-living commodities in GMPR and probably, also, from the goods whose prices go into the Bureau of Labor Statistics' cost-of-living index, which the Administration is trying to

hold down. These items would be controlled only in the lower and middle price ranges, however. Thus, a retailer would be limited as to the markup he could charge on a woman's dress selling for \$7.50 but not on one selling for \$40.

(3) As a further exception, there would be another list of goods, listed as Group II and made up of one standardized or semi-standardized, lowpriced model of the 125 or 150 most essential items—one overall, one house dress, one work shirt, one infant's sleeping garment, etc. These goods would be price controlled, in the words of one OPA official, "from hell to breakfast." They would be under dollar-and-cents ceilings at every level. The retail ceilings probably would allow most storekeepers a lower-than-average markup.

• **Prices and Production**—On these Group II items, the idea is that OPA would work hand-in-glove with WPB's Office of Civilian Requirements. The joint OPA-OCR program for stepping up output of the vanishing low price lines would go into full swing here.

OCR would be expected to insure allocation of enough goods to keep the Group II category well supplied. OPA would work out a pricing program which (coupled with OCR controls) would induce manufacturers to produce them, while at the same time holding down retail prices.

• **Not Quite So New**—OPA press releases give the impression that the 1-2-3

plan was generated, more or less spontaneously, at a meeting which Connally and Byres H. Gitchell (president of the Golden Rule Department Store in St. Louis and head of the Retail Distribution Branch in Connally's division) held with retailers in New York City (BW-Oct.23'43,p7).

This isn't quite the case. OPA had the germ of the plan pretty well in mind before the New York meeting (BW-Oct.23'43,p17), and, in a nebulous form it has been floating around the agency almost from the beginning. Particularly there is nothing new about the idea of a list of standardized essentials under superstrict control.

• **The Pros and Cons**—OPA is trying to sell the plan to retailers on the ground that it allows them to revert to their "historic markups," which retailers claim they haven't been getting on some items under commodity price ceilings. As far as the over-all markup is concerned, a reversion to 1940 levels may actually mean a slight reduction but OPA can answer this complaint by pointing out that nowadays retailers have to take far fewer markdowns, hence they have a wide margin of safety to work with.

This lure isn't sufficient to overcome retailers' fears that the markups allowed on Group I and II items will be set too low, that there will be too many items in Group II. Above all, they don't like the idea that some sort of standards or quality specifications (a rose by any other name is still a rose) would be set.



CHANGE OF HEADS

Food man greets liquor man as Charles G. Mortimer, Jr. (left), congratulates his successor, Carleton Healy, as chairman of the Assn. of National Advertisers. They are vice-

presidents of General Foods and Hiram Walker, respectively. Healy's election last week opened the A.N.A.'s annual three-day meeting which was highlighted by government commendation for advertising's war effort in maintaining civilian morale.

NEEDED CARS NEED WEED CHAINS



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TIRES won't actually burst into flames when you spin them in snowdrifts or on icy roads. But you burn 'em up" just the same. New tires will be hard to find this winter, we suggest you get at once to protect them. Save your old tire chains reconditioned, or, if necessary, buy new Weed Chains.

Weed Tire Chains are used on jeeps, trucks and half-tracks around the world.

Essential civilian cars and trucks have first call on the Weed Chains which are available after the needs of the armed forces have been supplied. . . .

For the best buy in tire chains, ask for Weed American Bar-Reinforced. In these chains, every contact link

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1. Slow down well in advance of intersections and curves.
2. Don't get dangerously close to vehicle ahead.
3. Use tire chains under severe conditions of ice and snow—they reduce braking distances 40% to 50%.
4. Tire chains with a deep "bite" provide the best traction in ice or packed snow.
5. Check brakes, headlights and windshield wipers frequently.
6. To avoid locking wheels—alternately apply and release brakes until vehicle stops, and use minimum braking pressure.
7. Leave clutch engaged until just before vehicle comes to a stop.

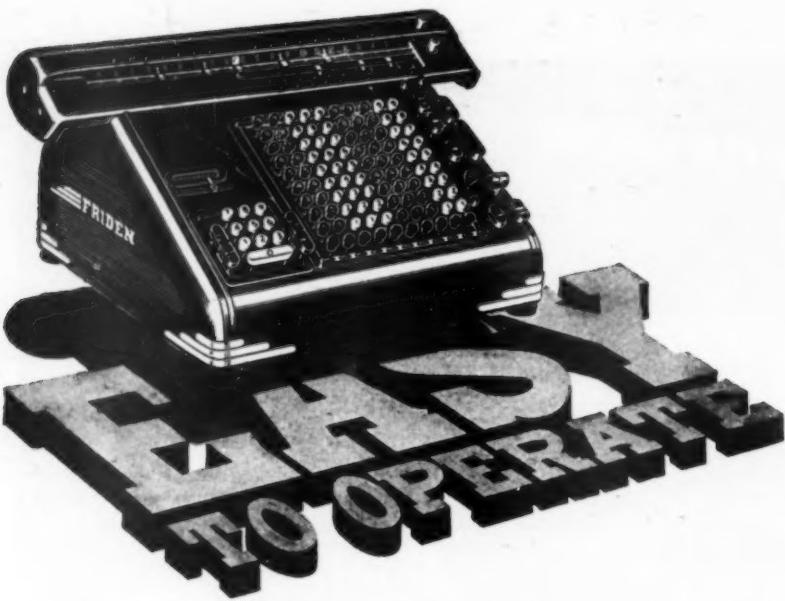


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up for the goods that will be included in Group II.

- **GMPR Simple for Some**—In addition to this general feeling, certain group retailers—notably shoe stores, jewelers and druggists—have been relatively happy under GMPR and the various commodity orders. They can't work enthusiasm for any drastic changes late in the game.

Drug stores point out that most products are now priced under a form system whereby the retail price is determined at the manufacturer's level. The manufacturer figures out how much OPA allows him to charge, applies the wholesaler's markup to this to get the wholesaler's price, and then the retailer's markup to that to get the retail price. In most cases, the maximum price the retailer may charge is stamped on the box when it leaves the factory.

- **Policing on Basis of Taxes**—Other objections to the plan have been raised both inside and outside OPA. Principal complaint is that small stores, particularly, have no idea what their overhead markup was in 1940, so that the plan would be almost impossible to enforce as a result. One answer that's taken form is that OPA might be able to get a pretty good idea of how well small stores are hewing to the line by examining their past income tax returns.

Another criticism is that low price stores, which carry the heaviest proportion of the Group I and II items, would be in a bad position vis-a-vis the higher price stores. OPA's assumption is that since the low price stores are also frequently low cost, the markups allow them on the controlled items would be ample and well within their "historical limit". The low price, high cost stores may not be in such a favorable position.

- **Consumers' Viewpoint**—Consumer groups (who are represented on the advisory council which OPA has consulted on the plan, but who have been given no active role in formulating it) are frankly suspicious of the whole idea. They have always plumped for dollar-and-cents retail ceilings coupled with quality standards. While they are satisfied with the present system, they don't consider the new plan any improvement.

A large number of commodities, the charge, would be completely uncontrollable. They don't consider adequate OPA's answer that they would still be price-fixed at the manufacturer and wholesale levels, and that retailers are limited on their total markup—hence presumably wouldn't get too far out of line on any one item.

- **How Will Stores Buy?**—Also, they want to know who is going to compel the retailer to stock the Group I and II items, on which he would make no fancy profit—might even stand a loss. OPA officials who back the plan maintain that, with present merchandise short-

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Army Engineers once more "did the impossible" building the highway which links us with our vital bases, they literally lived, travelled and worked Canvas.

every yard of Hooperwood FIRE-CHIEF finished is just as important to the war effort as steel, aluminum, explosives and other vital materials. That is our entire production — many millions of yards — going to our armed forces throughout the world.

This amazing war-proved product — fire, water, heat, mildew and wear resistant HOOPERWOOD "Engineered Canvas" — holds great promise for post-application in extending the usefulness of cotton

instance — as awning material, it can't be ignited by cigarettes or other hazards of carelessness. As welding curtains, it actually defies an oxyacetylene flame to

set it afire. As covers for trucks, it will outweather former materials several times over. Down in a mine or under the worst climatic conditions, mildew cannot attack it. As lifeboat covers, hatch covers and other marine canvas specialties, it helps remove much of the fire hazard on shipboard. As construction windbreaks and tarpaulins, it promises to materially lessen fire losses of building operations.

These are but a few of many opportunities for the use of HOOPERWOOD "Engineered Canvas" to save lives, property, production time and profit in the post-war world.

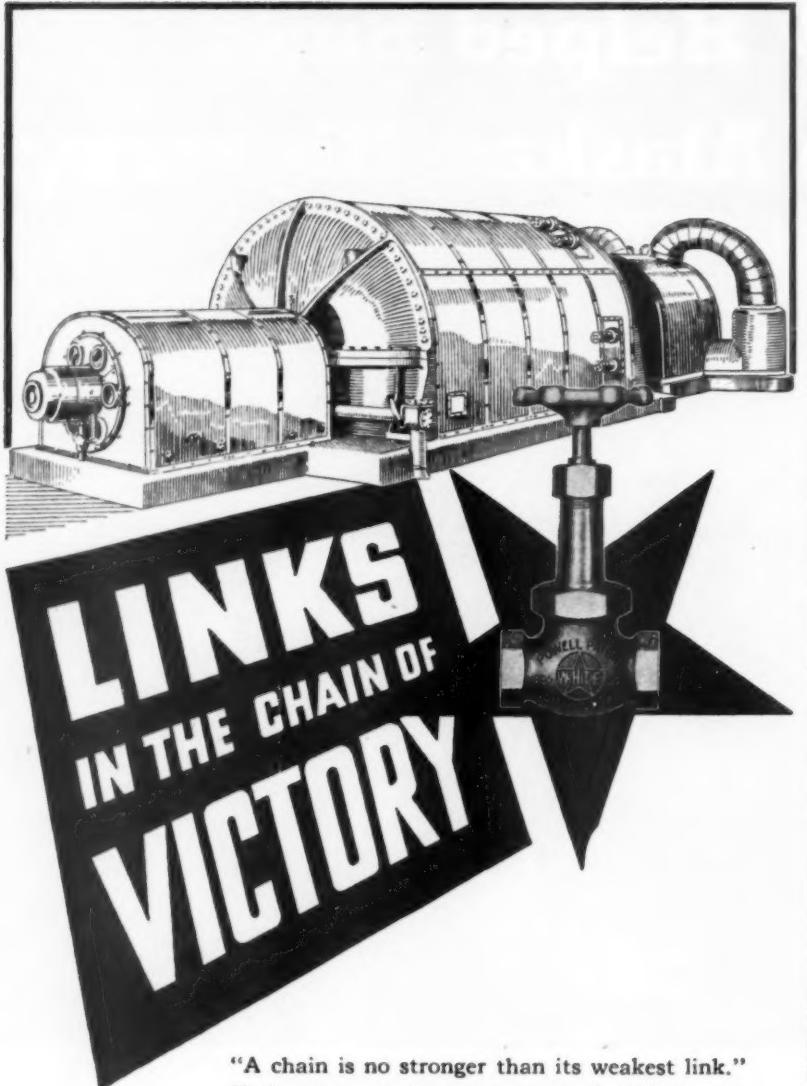
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Today, because there are no weak links in the American Chain of Victory, our soldiers, sailors, fliers—on far flung battlefronts—are "defeating the enemy wherever he is met."

The courage, training, equipment of our fighting men is unsurpassed—mighty links, indeed. Back of this stretches the endless chain of American Industry. And, next to the men, its most important link is the power that drives the machinery of our war production. POWELL Valves, famous for dependability, are controlling the flow of power all over the United States.

Powell Valves

THE WM. POWELL COMPANY

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ages, retailers will stock everything they can lay their hands on. Retailers, general, agree.

All these kinks and criticisms are posedly being ironed out at a series of meetings with all elements of the trade. These meetings are going on now and should be completed by the end of the month. Connally and officials of him take the attitude that the plan developed because retailers wanted and that they are responsible for defining ways-and-means of making it work.

- **What Retailers Want**—So retailers are going through the motions. But lack of enthusiasm makes it by no means certain that the 1-2-3 plan—or anything like it—will finally go through.

Privately, retailers are saying that OPA would knock out a few of the offensive features of GMPCR and commodity orders—notably high price-line clauses, classification of goods by groups (which they dislike because it publishes the fact that some goods have higher costs, and resultantly higher prices, than others), and the remnants of grade labeling—they could stand along for the duration. They prefer evils they know to the evils they know not.

Dumping Worries

A surplus of food may threaten postwar market, canners and wholesalers plan to protect their interests

Last week the War Food Administration announced that approximately 2,400,000 cases of canned grape juice would be released from government-held stocks and sold for distribution to consumers through regular commercial channels. Promised for release are 540,000 cases of pineapples, 77,000 cases of figs, and large undisclosed amounts of asparagus, corn, pumpkins, and spinach.

- **No Problem Now**—Announcements like that—and it isn't the first time in recent months that WFA has offered resale stocks on which the government has overbought—don't disturb food trade at all in these days of scarcity. As a matter of fact, producers, distributors, and retailers are downright glad to have some extra goods to sell, and to have no worries at all about depressed prices or demoralized markets.

But such announcements do awaken grim forebodings of what may happen when the war ends, or even when the European phase of it ends, and the government has huge stocks to dispose of.

Disposal of surplus goods is, of course, a worry for all business, but recall the ramifications of the dumping that followed the wake of the World War make

problem particularly acute for food men. Nobody wants a repetition of the indiscriminate selling, speculation, and hoarding that hit the grocery business in 1919 and 1920.

This Time It's Different—Biggest hope for avoiding such a debacle this time is the careful way in which the ground is being laid. Some say there may be no surplus whatever to dispose of. Others feel that the United Nations Relief & Rehabilitation Administration will absorb any reasonable surplus. Still others count on the domestic market to absorb almost any given amount of food once ration books are worn up.

It is conceded that government buying this time has been more realistic, thanks in part to the indefatigable campaign of the food trade—principally the canners, who have the most at stake—to keep the government from overbuying. Furthermore, WFA has followed a policy of taking stock at intervals and selling such surpluses of eggs, evaporated milk, and canned fruits and vegetables as they have on hand from time to time. Hence, stocks are kept within reasonable bounds.

Canners Are Insured—Nevertheless special trade groups are constantly hammering away at their own special plans for preventing collapse of their particular markets. Postwar insurance of the canners lies in support prices for their pack. Uncle Sam guaranteed them a floor price of 95% of current ceilings on ten items in the 1943 pack. Last week, in words of one syllable, representatives of the National Canners Assn. in Washington told the government that, in view of peace rumors, they could not guarantee the 1944 pack without a support price at least as high as last year's covering all fruit and vegetable lines.

So long as the government cannot sell goods below such support prices, canners are assured of a stable market.

Canners also have another anchor to windward, since a good portion of government stocks are still piled in their own warehouses awaiting delivery instructions. These goods the canners will be able to buy back—goods whose grade and quality they know—and release under their own labels as the market is able to absorb them. Indeed, in many instances, there will be no necessity of repurchase, for canners still hold title to the undelivered stocks.

The Chain Menace—Wholesale distributors have more serious worries. If WFA follows its own precedent and the traditional practice of the government, it will ask for competitive bids from the trade on the surpluses. Such liquidation not only could break the market, with a consequent cut in wholesale commissions on all goods handled, but might also result in a complete freeze-out of the independent elements in the trade.

How many "mental sit-downers" have you in your organization?

"In every factory and store, among office workers and salesmen, costly 'sit-downs' have been going on for a hundred years—mental sit-downs," says Craig Davidson. "Commands to do thus and so have met with mental sit-downs which have been just as effective in blocking production and sales as any physical sit-down that ever stopped an assembly line."

"That is one reason why this book," he goes on, "should be useful to any man whose job is to get other men to do their work right. It should visualize for him what causes mental sit-downs and what to do about them."

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By EVERETT B. WILSON

Director of Porto Rican Trade Council,
Formerly Assistant Director of Personnel,
Kroger Grocery and Baking Company

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brokers, wholesalers, and retailers. The big corporate food chains like the Great Atlantic & Pacific Tea Co., with virtually unlimited buying power, could, under such a system, buy up the government stock of canned peaches, (or any other commodity), relabel it, and subsequently set prices which independents could not approximate.

• **What Wholesalers Want**—With this in mind, the National American Wholesale Grocers Assn. is proposing a program under which WFA with the aid of a representative advisory group would first price goods, in terms of going market values, then ask for offers from all comers, and allocate supplies in proportion to demand.

If WFA had, for example, 3,000,000 cases of canned peas, it would offer them at, say, \$1 a case, notifying customers that no less than a carload would be shipped on any single order. Should distributors' orders then total 6,000,000 cases, WFA would ship to each buyer just half his order.

• **No Law Likely**—The wholesale association wants that program to have the full force and effect of law before any crisis arises, as it might next year, and under its secretary, M. L. Toulme, it is trying to enlist legislative support for a bill to put the program into effect, but the betting in Washington is that the war food surpluses will be moved not by specific order of Congress but by the directives of WFA, acting under its present powers and pursuing its present policies.

Cola Climax

Charging Coca-Cola with dark deeds, Pepsi-Cola fights to keep OPA from closing loophole for ration-free sugar.

The Battle of the Colas (BW—Sep. 11 '43, p86) came to a head this week with Pepsi-Cola fighting desperately to keep open the channel by which it gets ration-free sugar.

• **Something Extra**—Ever since the imposition of a sugar quota—first 70% and now 80% of 1941 consumption—both Coca-Cola and Pepsi-Cola have found a way to get a little something extra. Coca-Cola gets its dividend principally from its bottlers by saying in effect, "If you give us the sugar which you get on quotas for use in your own brands of soda pop, we'll give you an extra amount of Coca-Cola syrup." Bottlers, who value their profit-making Coke franchise highly, are glad to oblige.

Pepsi-Cola can't work that system advantageously because its bottlers aren't so big or so numerous, and because they would have to surrender twice as much sugar as Coca-Cola dealers would for

every bottle they got back (since Pepsi-Cola's nickel drink is a 12-oz. bottle and a Coke is only 6 oz.).

• **Mexican Loophole**—But Pepsi-Cola found a loophole in OPA's regulation sugar, when it is changed into a sirup form, doesn't count as part of a company's quota. So Pepsi-Cola established the Mexican-American Flavors Co. which buys refined sugar from the Mexican Sugar Producers' Assn., converts it into a sirup, and ships it quota-free to Pepsi-Cola in a volume representing about 20,000 tons of sugar this year.

Since long before Chester Bowles succeeded Prentiss Brown as OPA administrator, there has been ready for signature an OPA order which would close that loophole by bringing sirups under the quota system. Just why the order has never been signed is anybody's guess, some talk darkly about the pressure of the Mexican sugar interests—which seemed likely to become academic last week when the rumor got around that Bowles was going to sign the order and end the Mexican traffic.

• **Pepsi-Cola's Defense**—When Pepsi-Cola got wind of the rumor this week it immediately charged that Coca-Cola, disappointed at its failure to negotiate a similar Mexican deal, was putting the heat on Bowles. To meet the threat, Pepsi-Cola unleashed an assortment of arguments and allegations on OPA.

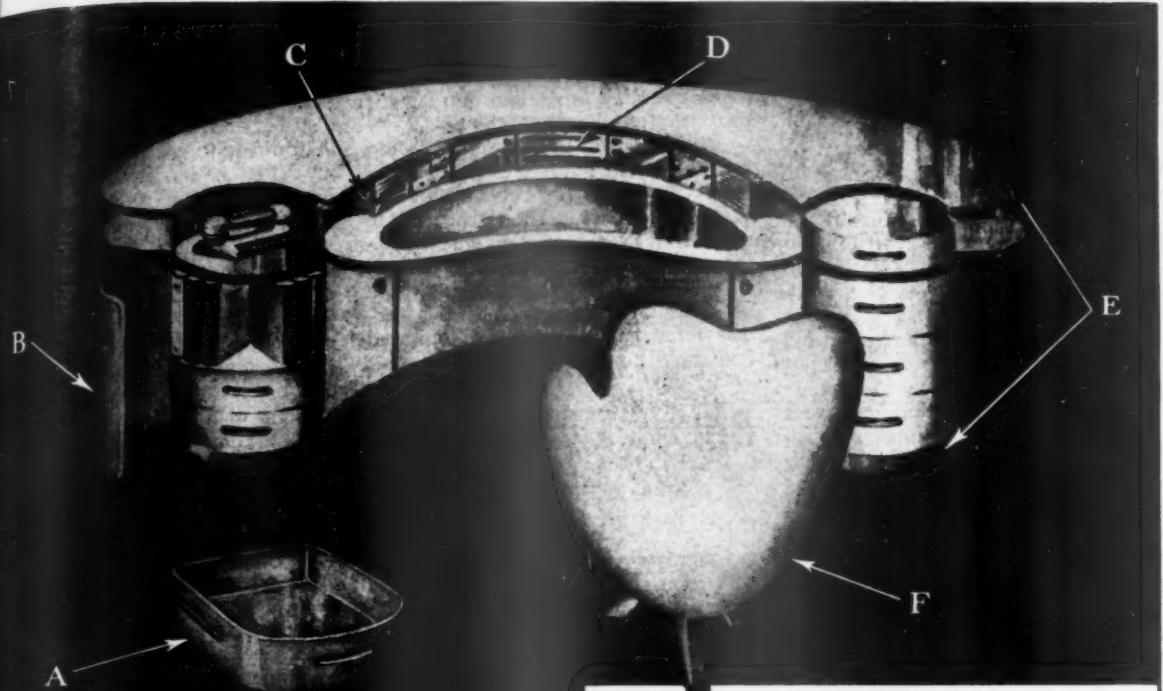
(1) Pepsi-Cola was expanding the total U.S. sugar supply because if it didn't take the sugar, Mexico would sell it in Latin-American markets. Pepsi-Cola was bringing in this supply without placing any extra strain on regular shipping facilities, for it relied principally on small boats.

(2) Freezing of quotas on a 1941 basis wasn't fair to a growing company like Pepsi-Cola.

(3) OPA's sugar-in-sirup loophole was no special advantage to Pepsi-Cola. Coca-Cola could use it too and import ration-free some of the 50,000 tons of Puerto Rican sugar or the 70,000 tons of Peruvian sugar which it was reported to have bought and stockpiled—purchases that were far more upsetting to the world sugar market than its own Mexican deal.

• **Inside Track?**—On at least one argument Pepsi-Cola seemed likely to be laughed down. Coca-Cola will get 45,000 tons of sugar in 1943 ration-free to replace the amount used in supplies sold to the Army. Pepsi-Cola will get virtually none, for Coca-Cola does about 95% of the Army business, and all the other soft drinks split only a measly 5% between them.

Pepsi-Cola, pointing to the fact that the civilian market normally consumes a much greater proportion of its product, charges Coca-Cola with a sinister political alliance which gives it an inside track on Army sales. The Army dismisses the charge simply by saying that it buys the boys just what they want to drink—in the soft-drink line, anyway.



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WE'LL LET this sketch by Mr. Jiranek give you the answer. Perhaps you think this piece of furniture is reserved only for some future member of the Stock Exchange or his financial peer.

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If you could see the problems that Durez plastics and resins for bonding plywoods have solved in war production—from bridge pontoons and PT boat super-structures to the fabrication of bombers—you'd more than agree with Mr. Jiranek. What the plastic and plywood industries have learned in serving the armed forces is going to have tremendous influence on America's post-war production. Durez Plastics & Chemicals, Inc., 552 Walck Rd., N. Tonawanda, N. Y.

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PLASTICS THAT FIT THE JOB

Mutual's Contract

No. 4 network adopts an agreement modeled after those of big three, but will make it standard for all affiliates.

With negotiation of new contracts with its network affiliates well under way, the Mutual Broadcasting System has announced details of its new financial structure.

• **Standard Contract**—Throwing out old contracts which gave Mutual a straight 15% commission on time sales for its affiliated stations, the No. 4 network has modeled its new contract plan on that of the big three competing networks—Columbia, NBC, and the Blue—with one significant difference. Mutual will have one standard contract for all outlets, rather than an individual agreement with each affiliate.

Designed to give the network itself more working capital for research, sales promotion, sustaining programs, and other net facilities (BW-Nov.13'43, p86), the new standard contract stipulates that the network will not pay a station for the first 16 unit hours of commercial time in each 28-day period. (Daytime hours, sold at roughly half nighttime hourly rates, count approximately as half hours for contract purposes.)

• **Change on Wire Costs**—In return for the 16 free hours, Mutual will absorb all wire line charges heretofore collected by Mutual from individual stations.

For the next 25 hours, Mutual will pay the station 25% of its average unit hour rate. This percentage will advance to 32½% for the next 25 hours and to 37½% for all hours in excess of the first 50.

• **Same Stockholders**—Ownership of Mutual, now held by twelve affiliates (WOR, New York, and WGN, Chicago, each owns a block of 25% of the stock, will not be changed.

New contracts eliminate talent rebate provisions, credit liabilities, and the 15% commission formerly paid to Mutual by affiliates on network cooperative programs locally sponsored.

DREAMS ON HOME FRONT

Beefsteak and girdles are on the American postwar shopping list, but a new automobile is first choice of most families. Modern homes, new radios, and some good long trips are other things Americans are promising themselves when the long pull is over.

Northwestern National Life Insurance Co.'s home economics bureau has just released results of a poll among 25,000 policyholding families to catalog their wishful postwar thinking.

One fact stands out from the survey: People are looking forward again to spending money for personal needs, comforts, and gadgets. War bond savings and accumulated surpluses from high wages and profits are burning the pockets of most citizens.

Two-thirds of the prospective new home owners say they hope to build rather than buy. Probable reason for this is that they wish to incorporate new ideas in construction and equipment. Additional items the survey finds the public is regarding longingly are new washing machines, vacuum cleaners, farm equipment, and improved household heating systems.

Better Distribution

OCR weighing scheme to ease lack of civilian consumer goods by priorities or by closer attention to distress areas.

As a result of a recent swing around the country—which gave officials a chance to find out the where and why of distribution ills—the Wholesale & Retail Trade Division of WPB's Office of Civilian Requirements is mulling over proposals for divvying up the limited supplies of civilian consumer goods a little more equitably.

• **New Plans Scrapped**—The idea of setting up stringent, far-reaching government controls over distribution has been tacitly abandoned for two reasons:

(1) OCR's interviews showed that, while there have been a few cases of severe squeezes, the over-all situation is nowhere nearly so bad as everybody expected.

(2) Most officials feel (though few will say so openly) that it's too close to the end of the war to make setting up a new program worth while.

The basic trouble, of course, is an inadequate supply of civilian goods. Thinking now is that this situation will be corrected, not overnight, but before anybody gets too badly squeezed.

• **To Overhaul Controls**—OCR is now talking up an overhauling of present controls, which would still leave the bulk of the job to the voluntary "rationing" programs of manufacturers and distributors (BW-Nov.13'43,p94). Discussion is along two lines.

The first would call for a new WPB order defining the objectives and characteristics of equitable distribution in minute detail. This would include, as part of a distributor's responsibility, provision for more goods for outlets in areas with war-inflated populations (biggest distribution trouble).

• **Direct Appeal**—Compliance with the order would be on a voluntary basis. But it might be given teeth by setting

up a mechanism through which dealers could appeal quickly to WPB when they felt they weren't getting fair treatment from their suppliers.

Presumably, such an order would replace the joint WPB-OPA statement of distribution, issued last winter, and the "fair distribution" clauses which appear in WPB commodity orders. A rough draft of the order is now being circulated in WPB.

• **Broader Priorities**—The second step under consideration would provide for extension of priority ratings under WPB-547 (PD-IX) to more goods. At present WPB-547 applies mostly to durable goods—notably hardware. It might fail to include such scarce lines as women's clothes, infants' wear, heavy winter underwear.

WPB-547 might also be amplified in another direction. At present, the order can be used only by retailers and wholesalers who buy direct from manufacturers. OCR thinks WPB-547—or a similar form—might be extended so that it would be used by retailers in buying rated goods from wholesalers. These wider applications of WPB-547 would be limited to emergency situations.

• **There Are Difficulties**—OCR realizes that there are a good many bugs in these proposals—particularly in the first one. It won't do much good to make it easy for dealers to appeal to WPB if distributors can claim (as most of them will) when WPB puts on pressure, that they just haven't got the goods.

The big idea is to patch up present



BLANKETS IN CANS

Aboard open lifeboats, warm dry blankets are almost as vital as food and water. Now, shipwrecked sailors can get all three in one waterproof container designed for the U. S. Maritime Commission by American Can Co.'s George Eckman (left). Chief Officer Allan Smithies (right) sees how the container holds three blankets, provides space for rations.



WHY **MORE** EMPLOYERS ARE ADOPTING Employee Pension Plans

A suitable pension plan, soundly financed, establishes more stable, more satisfactory employee relations. Here's why, logically—

1. It relieves employees from worry about *financial security* in old age by providing benefits supplemental to Social Security.
2. It provides automatic retirement which keeps the *avenues of promotion* open to younger employees.
3. It affords an *effective financial consideration* for employees without increasing free spending power—coinciding with governmental anti-inflation measures.

Such a plan creates an impelling incentive for long-time loyal service, increases efficiency and decreases turnover, thus reducing payroll costs.

A 90-page summary of the fundamentals of formulating and financing pension plans is now available. There is no obligation entailed in writing for this study, so write us now and have the facts when you need them.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Pension Trust Division

11 BROAD STREET

Telephone HAnover 2-9800

NEW YORK 15

Does Your Production Manager Know About WET-BELT SURFACING?



The Modern Machining Method that . . .

- ★ eliminates heat, distortion, discoloring, fracturing, chipping.
- ★ needs fewer, and only simple, inexpensive jigs.
- ★ cuts set-up and lock-up time—often eliminates both entirely.
- ★ reduces cost of equipment, operation and maintenance.
- ★ permits inexperienced workers to get increased production and superior finish.
- ★ replaces other machine tools on many operations, and supplements others to improve results.

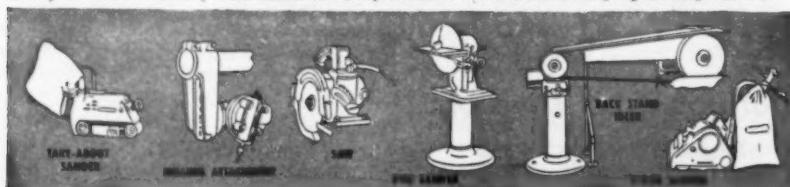


Porter-Cable's latest booklet "A New Precision Machining Method," gives you complete information on one of the most valuable machining helps for both hard and soft metals, stainless steel, plastics, compositions, ceramics, glass, that has come out in years. Because of the great demand for this booklet, it can be sent only to those who furnish us their title and company name. Tear out this advertisement, clip to your letterhead, and mail today.

PORTER-CABLE

MACHINE CO., 2030-11 N. Salina St., Syracuse, N. Y.

For numerous industrial applications, Porter-Cable manufactures a variety of electric tools.



controls sufficiently to take care of worst emergencies until help arrives in the form of more production. By likely evincing an active interest in problem, OCR probably will start congressional action (BW-Oct. 17).

• Services Have Helped—OCR has some success in persuading the Army and Navy to release bits of this and to relieve emergency shortages of specific items. A Consumer Goods Distribution Committee, which includes representatives of the military, was set up last summer. It hasn't done much so far, but OCR hopes that it might become the means of getting speedy Army and Navy action releasing goods to the home-front war machine grinder.

Also, the Wholesale & Retail Division is thinking of making life easier for distributors by studying their equipment, facility, and manpower in drawing up programs for supplying which would parallel OCR's program of consumer goods production.

SUBSIDY LOSES A CHAMPION

Editor & Publisher—trade journal of the newspaper publishing business originally backed the Bankhead bill directing the Treasury to buy war advertising in the nation's daily weekly press.

But last week E. & P. denounced class legislation and "the first step toward subsidizing the small newspapers of the country" the amended version passed last week by the Senate and to the House (BW-Nov. 20 '43, p. 7).

Reason for the about-face of the publisher's bible is that the Senate's minute amendment cut the \$30,000 appropriation in half, and lifted the subsidy stigma by stipulating the \$15,000,000 be spent only on newspapers published in communities of less than 10,000 population.

TOWARD COAL RATIONING

Coal shortages have grown so acute in 49 of the 83 counties in Michigan that the state headquarters of the Office of Civilian Defense has devised a voluntary priority system designed to achieve more equitable distribution.

When a householder's coal supply drops to five days' supply or less, his dealer can't supply him, he may apply to the local office of OCD to receive a certificate of priority indicating that he has given proof of emergency.

Dealers are under no obligation to honor the certificates, but by and large they are cooperating. Without a certificate, orders in Detroit wait from month to ten weeks before they are filled. The shortage for the state as a whole is estimated at about 1,360 tons.

ONE THING FOR SALE ... THREE FOLKS TO BUY
AND SO THE PRICE GOES UP SKYHIGH!



WITH PRICES HIGH YOU WANT A RAISE -
THAT STARTS A GREATER SPENDING CRAZE!



THIS CRAZY WHIRL IS CALLED INFLATION
AND IT ALONE CAN WRECK A NATION!



LET'S ALL STOP PRICES GOING HIGHER.
BE A SAVER NOT A BUYER!



Seven things you should do:

Buy only what you really need	2. Pay no more than ceiling prices... buy rationed goods <u>only</u> with stamps	3. Pay off old debts and avoid making new ones	4. Support higher taxes ... pay them willingly	5. Provide for the future with adequate life insurance and savings	6. Don't ask more money for goods you sell or work you do	7. Buy all the War Bonds you can afford — and keep them
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Keep prices down... use it up, wear it out, make it do, or do without

Advertisement, prepared by the War Advertising Council, is contributed by this magazine in cooperation with the Magazine Publishers of America.

LABOR

It's Another 15%

That's the size of the pay boost proposal C.I.O. unions are laying on the bargaining table. A.F.L. will follow suit.

The dimensions of organized labor's concerted wage increase demand became apparent this week. A 15% boost in hourly rates is sought.

• **Tacit Understanding?**—Not yet comprehensively formulated and detailed for each industry or every major employer, the outline of the union program is discernible in (1) the Textile Workers Union of America's demand for a 10¢-an-hour raise; (2) the Aluminum Workers of America's notice to the Aluminum Co. of America that it wants to open negotiations for a 15¢-an-hour increase; (3) the United Automobile Workers declaration to Ford—followed by similar statements to General Motors and Chrysler—asking higher pay "without regard to the Little Steel formula."

Along with these, other public announcements from union headquarters suggest, upon analysis, the existence of a tacit understanding among C.I.O. leaders to focus on 15%.

• **A.F.L. Will Follow**—At this point, the general wage campaign is still a C.I.O. baby, and for perhaps another month, announcements of union plans to get more money will be confined to C.I.O. industries, notably steel, rubber, oil, electrical manufacturing, and men's clothing.

But the A.F.L. organizations will join the parade. Already the ladies garment workers and the machinists, two important A.F.L. affiliates, are drawing up their demands. And carrying the banner at the moment, though down a rather strange street, are the A.F.L. and independent brotherhood organizations of the railroads.

• **Ace Up Their Sleeve**—The success that organized rail employees are having with Congress—getting the legislative branch to override the executive's wage policies and uphold an 8¢ increase award vetoed by Economic Stabilization Director Fred M. Vinson because "it clearly exceeded the Little Steel formula"—has given union leaders the idea that, without having been aware of it, they may have an ace up their sleeve.

For the last few years, prevailing and practically unanimous union opinion has maintained that Congress is reactionary, dangerous, and antilabor. Now

its handling of the rail wage bill has brought a new descriptive term for Congress into the labor lexicon: unpredictable.

• **Lewis Strengthened**—To be sure, as other labor leaders are the first to admit, rail unions are the most politically adroit groups in the business; but even so, the great sympathy Congress has shown for their wage demands exceeds anything the unions expected. This has strengthened the position of John L. Lewis who has been maintaining that labor can no longer expect favors from the White House.

Lewis credits his members who work in the Kentucky coal mines with putting that state in the Republican column and thus creating 1943's most dramatic political development. He wants labor to concentrate on electing a Republican Congress, on the theory that the Republicans are going to be elected anyway, that labor should climb on the bandwagon and get into a position where it can ask for favors.

• **Left Turn Ahead**—To woo back the apathetic unions, the Administration may now be expected to make a leftward turn in policy which will provide concessions to labor. That this will have to be focused on wages is considered a certainty.

Consequently, C.I.O.'s wage campaign has political as well as economic overtones. The activities of Sidney Hill-

man's Political Action Committee which will spend millions of C.I.O. dollars is designed to raise wages and elect liberals. The unions consider its financing as they would consider financing a strike, and for much the same purpose.

Wires Crossed

Telegraph merger dum
a tricky problem in NLRB's
Who'll represent merged
in collective bargaining?

A tangled problem has been
upon the National Labor Relations Board as a result of the merger of Western Union Telegraph Co. and Telegraph Corp. (BW-Aug. 74)

• **Hearing Scheduled**—NLRB has 21 A.F.L., C.I.O., and independent labor organizations, and company representatives to hearings, beginning Dec. 1 in Washington. What must be decided is how employees of the merged enterprise—the new Western Union—will be represented in collective bargaining.

Will one giant election be held among Western Union's 70,000 workers in some 19,000 offices? Will there be a number of elections along regional and craft lines? Or will the whole nation be impounded in status until after the war?

• **FCC Urges Postponement**—The Federal Communications Commission



HELP YOURSELF

Anthony Morrowich serenely washes dishes while customers dip into the till and make their own change at his lunchroom in Seattle, Wash. His is the ultimate in self-service restaura-

rants. The customers make their sandwiches, help themselves to coffee or dessert, then ring up their checks at the cash register. The all cafeteria method is solving power shortages for the proprietor who claims he's never been che-

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QUITTING, MISS GREEN? WHAT'S THE TROUBLE?



"**Mr. Strong, I've been in a muddle for the whole month I've been here. I've spent half my time asking questions. No work ever reaches my desk with instructions on what to do—and when—and who is responsible for it. I'm so nervous and rattled I can't do anything right. I just feel I should work somewhere else.**"



"**You're not the only one having trouble keeping office help. As a printer I'll make a suggestion. Read this little Hammermill book, '3 Steps that Get Things Done'. It shows how putting things in writing keep your staff informed, tell them who's to do what, get things done right and fast."**

"**I'm so glad I stayed, Mr. Strong. My work runs just like clockwork now. It's like having a brand-new job. Our new system of putting things in writing straightens everything out . . . tells me exactly what to do . . . where to get any information I need. I feel now that I'm really doing something useful.**"

LOOK FOR THE WATERMARK

IT IS HAMMERMILL'S WORD OF HONOR TO THE PUBLIC

"KNOW HOW"

When you rely on paper to lighten your load, specify Hammermill Bond. Backed by 45 years' experience, Hammermill's paper-makers have the "know how" to produce economical paper which meets every test of business use.

HAMMERMILL BOND

FOR VICTORY, BUY WAR BONDS

For free copy of the new little book, "3 STEPS THAT GET THINGS DONE," attach coupon to your company letterhead and mail to Hammermill Paper Company, Erie, Pa.

Name _____ Position _____
(Please attach to, or write on, your company letterhead)

BW 11-27

ognizing a knotty problem, advocated in its merger order that "some equitable formula be considered postponing the issue for the duration of the war."

Postponement is just what A.F.L.'s Commercial Telegraphers Union does want. The union has asked the U.S. District Court in Washington to enjoin Western Union from assuming liability for Postal's closed-shop contract with C.I.O.'s American Communications Assn. It was on C.T.U.'s petition that the NLRB hearings were called.

• **To Vote or Not?**—The A.C.A., which has always been identified with the wing in the labor movement, says it could win hands down, but argues that an election now would only disrupt the telegraph industry, critical in war work over a period of months. C.T.U., on the other hand, contends that employment conditions in the telegraph industry are chaotic and the quickest way to bring order is to conduct a nationwide election to determine one industry-wide bargaining agent.

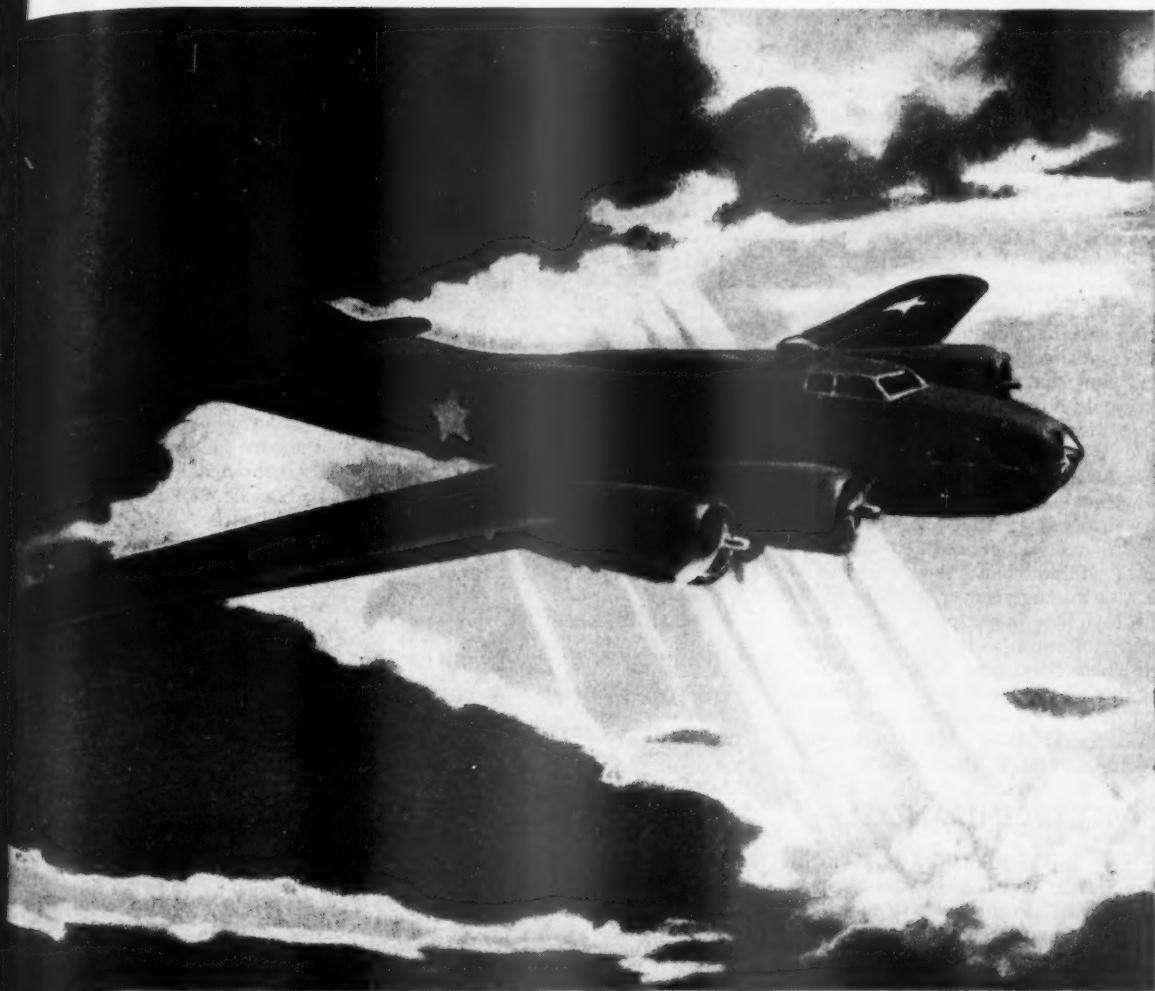
Apart from the professed altruism of both partisans, their sharply conflicting attitudes toward the date of an election reflect better than anything else their own views on the probable outcome. With the unions this is a struggle for survival, for both of them have the main strength among the employees of the telegraph companies. The loser in any nation-wide poll would be left in the lurch, but a charter and a shrinking treasury.

• **Comparative Strengths**—A.C.A.'s contract with Postal Telegraph covers 2,000 members, according to figures presented to FCC hearings, as compared with 30,000 members claimed by C.T.U. at Western Union. The A.C.A.'s Postal contract was due to terminate Oct. 7, but on FCC's recommendation it was extended to Jan. 1, 1944, so that Postal employees could have representation during the readjustment period.

Their seniority status is the cardinal interest of rank-and-file telegraph employees. In the merger order, FCC emphasized that there should be no distinctions and that Postal employees should be placed in positions "comparable to those formerly held by them." • **Merger or Sale?**—C.T.U. takes the position that Postal was purchased, merged, and that Western Union should consider Postal employees as new workers, put at the end of the seniority list.

C.T.U. and A.C.A. are the strongest of the 21 unions involved. Three other A.F.L. unions—International Brotherhood of Electrical Workers, and two federal locals—have a strength of some 10,000 members. Both C.T.U. and A.C.A. claim cooperation for their proposals from these unions; C.T.U. says it is "sure of harmony" with other A.F.L. unions through President William Green's "persuasion."

• **"Win the War"**—A.C.A. leaders advance their case on a win-the-war basis.



Ships that Fly Themselves!

ONE REASON for America's highly successful precision bombing is the Automatic Pilot, developed and manufactured by Minneapolis-Honeywell. Until recently, details of this super-sensitive electronically controlled instrument were secret, but it can now be said that the M-H Automatic Pilot not only accurately directs the ship, but on bombing runs actually holds the plane on a designated course over the target, providing a stable platform from which bombs are released.

The Automatic Pilot is but one of a number of

aids to aviation which Minneapolis-Honeywell Engineers have developed and are producing, and which are in daily use in every war theater.

When the time comes, Minneapolis-Honeywell will be ready for peacetime aeronautical problems. We therefore invite your future control problems on the basis that we have proved both our engineering and our manufacturing ability and can help you with your future plans . . . Minneapolis-Honeywell Regulator Company, Aeronautical Division, 2728 Fourth Avenue South, Minneapolis 8, Minnesota.

MINNEAPOLIS-HONEYWELL

AERONAUTICAL



INSTRUMENTS

with a four-point "stabilization program":

(1) Maintenance of present union membership for the duration; (2) election of a joint A.F.L.-C.I.O.-independent union negotiating committee to draw up a uniform national contract; (3) administration of the contract by national joint grievance committees; and (4) submission of all other problems to a proposed stabilization committee, made up of industry, government, and labor representatives.

• **On the Sidelines**—Western Union is sitting on the sidelines in the battle. The company did, however, accept the FCC view that a jurisdictional dispute now would not be in the public interest. Wage rates do not enter the picture because Western Union pay scales are generally higher than Postal's.

In view of the history and complications involved, it may well be that any election will be deferred until the war is over. If and when it is held, it will be the fourth largest ever conducted by NLRB. Three bigger cases, in terms of number of votes, were General Motors, Bethlehem Steel, and Ford Motor Co. But this election would be complicated by balloting of numerous workers in small, remote places. They would probably be reached by mail ballots.

SERVICE DECENTRALIZES

Dr. John R. Steelman's U. S. Conciliation Service, which has operated out of Washington since it was founded in 1914, has announced a decentralization program, purportedly to handle labor disputes more expeditiously—actually to get set for a rushing postwar business.

Under the new setup, conciliation will work through five regional offices. The San Francisco, Chicago, and New York City headquarters will be func-

tioning before the first of the year. Two other offices, one covering Michigan, Ohio, West Virginia, and Kentucky, the other covering the South, will be established early in 1944.

Under present regulations, all requests for a conciliator are cleared through Washington and all assignments emanate from the agency's office in the Dept. of Labor. Under the regional scheme, directors in charge of the field offices will handle requests and make on-the-spot assignments.

Active now with mediational functions thrust upon it by executive orders and by its working arrangement with the National War Labor Board, the Conciliation Service can look forward to no immediate peacetime slack. Unspent tensions promise to make the immediate postwar period a busy season for government conciliators.

Next Headache?

Coal operators look with apprehension at latest move of Lewis union—to bargain for all the mines' white-collar workers.

As though John L. Lewis hadn't had them on the merry-go-round long enough on the protracted wage controversy, the coal operators apparently are due for another whirl—this time over the issue of organizing the mines' white-collar workers.

• **Bargaining Rights Claimed**—Before the wage negotiations opened last March, Lewis announced that his United Mine Workers of America proposed to absorb the bituminous industry's 60,000 mine foremen; but, until this month, this issue remained dormant

through the four general coal districts over pay boosts.

Then, suddenly, major operators in western and central Pennsylvania notified formally that the United Clerical, Technical & Supervisory Employees of the Mining Industry, a newly created division of the U.M.W.'s "catch-all" District 50, is claiming sole bargaining rights for all clerical, technical, and supervisory employees of the mines. • **Deadline Ignored**—The new body shell that may further threaten peace in the coal fields carried a deadline that the operators must recognize District 50 group in five days or the union would be forced to take action to protect its members, of which it claims a majority among the white-collar employees. Operators let the deadline pass without acting. The union's next step may be a petition to the National Labor Relations Board for certification or for an election to determine bargaining rights.

Guinea pigs of the new drive are 12,000 white-collar employees in Pennsylvania bituminous fields, but the campaign likely will spread to all states.

• **A New Tack**—Birth of the new District 50 unit is evidence that Lewis is taking a new tack in a drive to organize mine bosses. Last February, U.M.W. executive board voted to accept into membership after March such employees as mine foremen, assistant foremen, dock bosses, fire bosses, night bosses, watchmen, inspectors, and mine clerks.

Although the District 50 unit is not yet president, John McAlpine, is a stranger to the operators. The unit is the successor to the one-time independent Mine Officials Union of America, which McAlpine organized a few years back. Failing to gain control of the



CLOSE HARMONY

Anxious to attract manpower to the labor-hungry Buffalo area, the Symington-Gould Corp. is campaigning for



recruits in the Negro districts of New York City on a nondiscrimination platform. To prove that teams of white and colored employees work in harmony in its Depew (N. Y.) plant,

the company is showing still pictures of foundry crews (above), plus a motion picture stressing the importance of the plant's products, to Negro leaders to gain their aid in the drive.



The Chairman of the Board Makes a Sale

The essence of dignity when he meets with his directors.

He commands the respect, if not the awe, of his associates. These few may well be controlled by dignity and awe.

But, in his family circle, in the privacy that is home, he abandons his austere manner and becomes the favorite of the whole family, young and old. Yes the chairman of the board knows how to handle people as individuals. A pity that he sometimes lets his definition of dignity influence his selection of advertising media.

Somebody should tell him that though dignity and the austere manner may have their proper place, they can be out of place too...especially among his customers. They are made up of individuals and families—families who get a kick out of vital, homely things—who read "the comics" every week. Yes, who love "the comics," for their vitality and their human qualities.

Customers, after all, are people. In Puck-The Comic Weekly they're following the weekly ups and downs of "Mickey Mouse" or "Jiggs and Maggie"—and then reading right on down the page through the message of some advertiser. They're chuckling over "Donald Duck" and the "Katzenjammer Kids," raising an eyebrow over Ripley's Believe It or Not, zooming along with "Flash Gordon"—AND—carry-

ing that same attentiveness and interest on to the messages addressed to this amazingly receptive family market.

When choosing a medium to carry your advertising message, whether selling or institutional, consider the following:

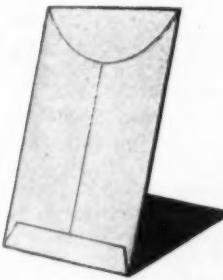
1.. More people (men, women and children) read "the comics" than any other entertainment feature.

2.. Visibility and readership are tops because Puck-The Comic Weekly accepts only one advertisement to a page.

3.. Puck produces results. A leading dentifrice manufacturer used a single color page in 1933. Year after year for the past ten this advertiser has increased his schedule. Today he is one of the most consistent users of space in Puck-The Comic Weekly.

Puck-The Comic Weekly is distributed to more than 6,000,000 families through 15 great Sunday newspapers from coast to coast and is read by over 20,000,000 people—men, women and children.

"The comics" are tops with growing children as well as adults, so sales minded executives with an eye to the future should ask to see and carefully consider Puck's analysis of "Your Customers of Tomorrow," a sound presentation chock-full of sales information. Puck-The Comic Weekly, 959 Eighth Avenue, New York—Hearst Building, Chicago.



**THE
"PROTECTED PAY ENVELOPE"
PROVIDES (SINGLY OR IN COMBINATION)**



GROUP LIFE INSURANCE



**GROUP ACCIDENT AND
SICKNESS INSURANCE**



HOSPITAL EXPENSE BENEFITS



RETIREMENT INCOME

Investigate this flexible plan of Group insurance. It can fit the needs of nearly any organization, large or small.

FOR DETAILS, WRITE

**CONNECTICUT GENERAL
LIFE INSURANCE COMPANY**
HARTFORD, CONNECTICUT

tracts, M.O.U.A. submerged its identity in the U.M.W. and continued its organizational work.

• **Supervisors Ruled Out**—As an independent union, M.O.U.A. won from the NLRB a decision, in the Union Collieries Co. case (BW-Jul.4'42,p78), that supervisory employees could be included in a collective bargaining contract. Last May 12, NLRB reversed that decision; and in the Maryland Drydock case, the board also ruled that supervisory employees could not have union certification.

A similar decision was given by the Pennsylvania Labor Relations Board affecting supervisory workers of the Pittsburgh Railways Co.

• **State Officials**—The state of Pennsylvania also contends that under a state law many mine bosses are given the status of state officers charged with enforcement of safety laws, and unionization of these officials would infringe on the state's power to police the mines.

In letting the five-day deadline of District 50 pass without answering the demand for bargaining rights, the operators may pave the way for a lengthy court fight if the new white-collar union takes the matter to the NLRB. But there is always the possibility that Lewis, exponent of fast action, may force the issue through sympathy walkouts of his miners, who usually are ready to strike at the drop of a principle.

HISTORIC CASE CLOSED

The National Labor Relations Board's marathon fight with Remington Rand, Inc., ended on a final dull note last week.

Dating back to 1936, the case has now a secure place in labor history for its development of the so-called "Mohawk Valley Formula," designed to halt unionization.

After years of court wrangling, the U. S. Circuit Court of Appeals at New York found, in 1942, that the company had violated a 1938 decree by firing 27 metal polishers from its Elmira (N. Y.) plant. It referred the matter to a special master, and company and board representatives entered into a stipulation which led to an agreement providing for \$45,000 in back pay to the polishers.

One polisher claimed gross back pay wages of \$7,684.60, with an offset of interim wages of \$12, leaving a net amount of \$7,672.60. On investigation it was found he had assumed a new name, a new social security number, and had concealed earnings of \$3,000 during the period in question. NLRB calculated that \$4,672 would have been due him if it weren't for his willful concealment. Because of the deception, the board ruled that he had forfeited all claims to back wages—and with that action closed the Remington Rand file.

Detroit Tightens

Auto capital's new plan for ducking labor draft puts on community itself for manpower deficiency.

Detroit's efforts to avoid a compulsory labor draft took the form last week of a new employment stabilization plan backed by the War Manpower Commission, industry, and labor.

• **Need 95,000 More**—The primary objective of the plan is to fill job openings from the supply of labor now in Detroit in hope that it will dredge up enough workers to provide up to 95,000 additional men and women for factory work in the next six months, and thereby keep the auto city out of the No. 1 manpower category.

A new production urgency committee (BW-Oct.16'43,p98) is rechecking requirements figure. Some industry sources believe that when account is taken of recent war contract cancellations, the total will be considerably reduced.

• **Waiting Period Lengthened**—U. S. Employment Service will route workers to jobs. Workers still will be able to quit jobs as in the past. But 30-day waiting period previously necessary between jobs has been lengthened to 60 days, to discourage job shifting.

Control will also be exercised over factories. A priorities committee will determine the maximum amount help any factory can have and will limit the plant to that level. This plank in labor's charges that many factories are hoarding manpower.

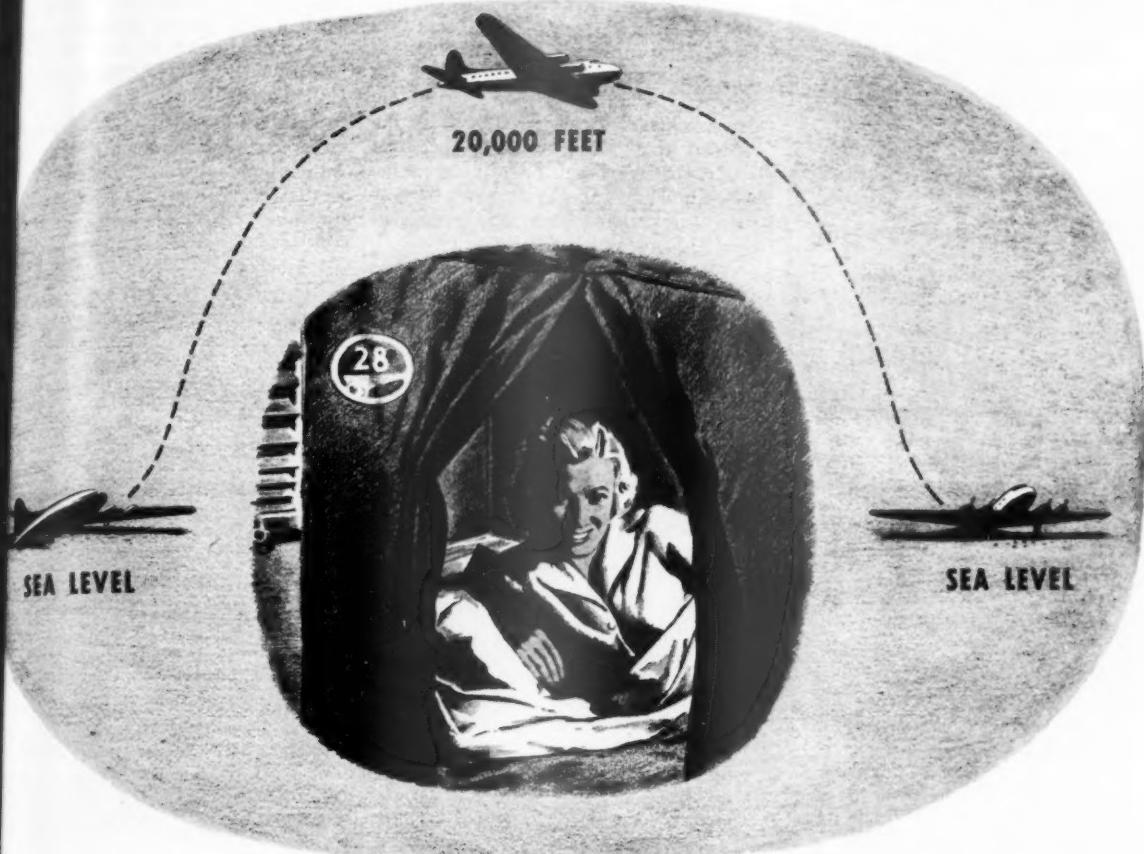
• **Weighty Decision**—The production urgency committee will analyze all factors before sanctioning awards of new contracts in the Detroit area. There were indications that if a service branch insisted on a contract award in Detroit for reasons of know-how or otherwise, it would be up to the committee to decide whether some less important contract would have to be canceled.

One major determination is believed at hand. Award of a big airframe contract to a large Detroit company hangs on whether the committee can locate manpower, either by shifting available supply or by canceling other assignments.

SPEED LIMIT SCORED

Marked criticism of the wartime 35-mile speed limit has been made by vehicle operator which should know the facts—the Great Lakes Greyhound Lines.

The criticism came in the course of arguments in a brief filed with the Detroit Regional War Labor Board.



As tomorrow's air liner flies you— you'll never feel a change of altitude

(E) U.S. NAVY

When peace comes, you'll do much of your skyway traveling above 10,000 feet . . .

the storm-free, smoother-to-fly-in air.

But you'll never sense the altitude! Coming up . . . or coming down . . . you'll feel no dizziness or headaches or popping. Not even when flying after hour at 20,000 feet!

AiResearch engineers have worked years to make this promise come true. In AiResearch's giant "Stratosphere," they've created artificial altitudes "high" as 65,000 feet — air eight times thinner than you can breathe —

temperatures below minus 90° F! And they've succeeded in making devices that automatically control these extreme air pressure and temperature conditions.

The AiResearch-pressurized cabin, which will keep low altitude comfort

sealed inside postwar air liners, is just one of the results from our specialized study of air control.

When peace comes, this same AiResearch engineering experience will bring you other amazing air control devices for homes, offices and farms.



"Where Controlled Air Does The Job". Automatic Exit Flap Control Systems • Exhaust Heat Exchangers
Engine Oil Cooling Systems • Engine Air Intercooling Systems • Supercharger Aftercooling Systems



**OVER 80% OF ALL
AIRCRAFT INSTRUMENTS
AND ENGINES ARE
TESTED WITH
MERIAM MANOMETERS**

★ What is your measuring problem?
Ask for Catalog C-10.

THE MERIAM CO.

Since 1911

1999 W. 112th St. • Cleveland 2, Ohio

SCHELM

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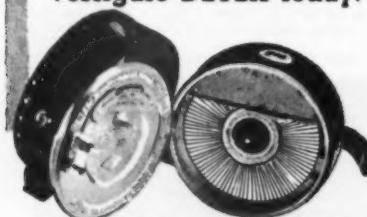
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ing with the matters of pay and bonuses.

The reduced speed limit, said the Greyhound subsidiary, has not produced appreciable savings in rubber or fuel, has caused "mental disturbances" among drivers chafing under the slow operating rate so that accidents have increased rather than declined, has caused undue wear on engines and equipment, thereby increasing maintenance costs, and, of course, has lengthened schedules.

The drivers' mental strains keynoted the company's brief in support of safety bonuses. The board recognized the difficulty by making safety bonuses retroactive to Oct. 15, 1942.

Ray Is Ousted

Boilermakers Union gets injunction removing czar of its Portland local from his marble palace; appeal pending.

The marble temple which Tommy Ray erected as a monument to his leadership of the A.F.L. Boilermakers Union in Portland, Ore., came tumbling down around his shoulders this week in a crossfire of litigation. As a result of the legal proceedings, he has been unseated, temporarily at least, as czar of big, rich Local 72.

• **Injunction Granted**—Circuit Judge E. M. Page administered the blow which swept Ray out of his ornate office in the same motion that swept in his pro-tem successor, Otto W. Mursener, international vice-president of the Boilermakers, who has been carrying the fight of the international officers against the Portland leader (BW-Nov. 13 '43, p109).

The court granted Mursener a preliminary mandatory injunction dethroning Ray, and accepted his bond for \$100,000 to protect Ray's rights until the union squabble is settled. The international executive council of the union previously had "removed" Ray from office, but it took a court order to ease him out of his marble palace.

• **Leaders Fear Reaction**—While Ray's appeal to the state Supreme Court is pending, leaders of Oregon unions are privately lamenting the sad spectacle created by the public laundering of Local 72's soiled linen. Their apprehensions stem in part from the bitter public reaction to the goon squad riots of the A.F.L. Teamsters Union in 1937 which culminated in Oregon's stringent anti-picketing law, later held unconstitutional.

The biggest source of worry for labor leaders is that the faction supporting the peppery, white-haired secretary-treasurer of Local 72 has hinted that the local will operate independently if the international union lifts its charter.

The fury of jurisdictional strife which such a step would unleash in Oregon shipyards, bound as they are by A.F.L. closed-shop contracts, is not difficult to visualize.

• **Scandal Dreaded**—Also, the sides observers have no appetite for the drama which both sides are threatening to play if the going gets really rough, or for big numbers which have been aired in the international's coup on the local bank accounts.

The Ray faction has hinted at charges of mismanagement of insurance funds on the part of the international, and anti-Ray people declare they can prove unauthorized expenditures by the administration.

• **Funds Frozen**—Mursener tied the local's bank accounts in a knot, promptly Ray to retaliate with injunction suit. One fund, held in the name of Boilermakers Building Assn., which Ray's marble palace, amounted to \$1268. The others, now frozen like building fund, were \$200,000 and \$300, both in the name of the local.

In addition to this litigation, state courts in Portland have one suit which Ray claims damages against Mursener for tying up the bank account and another in which Ray's rivals seek an accounting of the local's funds.

WORKERS' VIEWS POLLED

A study of wage-earner attitudes and opinions entitled Pattern for Survival prepared by Everett R. Smith, director of research for Macfadden Publication arrives at some grim conclusions about labor's point of view toward management. Smith finds that the great majority of workers lack confidence in business and he maintains that the pro-business attitude which sample polls of public opinion impute to them is misleading.

Smith spent a half-year visiting industrial employees in their homes, discussing with them labor relations, government, and postwar problems. His findings include:

"Labor has a rather complete lack of confidence in business and in industry—or they call it, in capital. . . . They think capital is making barrels of money. . . . They would rather work for the government. . . . They think that there is graft in management's handling of labor and materials. . . . They think, also, that graft is an evil root in the good soil of unionism. . . . They think foremen are selected on the basis of favoritism. . . . Many are bitter against coal miners got a raw deal. . . . They think John L. Lewis is more interested in personal power. . . . They think management tries to outsmart union representatives."

The survey affords Macfadden with a novel sales promotion approach, since it boasts that it reaches the worker market and hence constitutes a medium for reaching the working people.

"THIS YEAR, LET'S PAY THE BONUS IN WAR BONDS"



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Make up your own posters to spread the "War Bonds Christmas" story across your plant. Tell the story again and again on bulletin boards, in your plant magazine, and on pay envelope stuffers.

But don't forget your basic, all-important Pay-Roll Savings Plan. How's it going, these days? Perhaps it needs a bit of stoking-up right this very minute, to add its full head of steam against the competitive demands of the holiday season.

Well, you're the man to stoke it! You can't expect it to keep running indefinitely on last summer's enthusiasm. See to it that your participation percentages, and your deduction percentages, both end up the year at new levels.

Every month, now your Pay-Roll Savings ought to run well ahead of the preceding month. *For so many families that formerly depended on the earnings of a single worker, now enjoy the combined earnings of several.* Such family incomes are doubled, trebled, even multiplied many times.

Now's the time to turn as much as possible of these increased earnings into War Bonds—War Bonds for Christmas . . . and War Bonds the whole year 'round!

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BUSINESS WEEK

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FINANCE

Utilities Show Off

Electric Power & Light's preferred shares lead rise in holding company stocks; rumor mill is active again.

Though few, judging from what happened, could have been expecting it, last week was not destined to close without another surprising performance in the stock market, even though it didn't quite come up to the price gymnastics displayed earlier by American Distilling common (BW-Nov. 20 '43, p82).

• **Utilities Show Off**—This latest outbreak originated in the utility list. Stellar performers were the three preferred stock issues of Electric Power & Light, an Electric Bond & Share intermediate holding company.

On the New York Stock Exchange, the \$6 preferred rose \$15 at one time to a new 1943 high of \$92, while the \$7 stock got up as much as \$13.75 to \$92. On the Curb, the second preferred rose \$11 to a high of \$55. Also, the Electric Bond preferred issues rose \$4 to \$5½ sympathetically.

• **Hopeful on Taxes**—Helping in these and other utility stock rises was current Washington news, interpreted by traders as forecasting little change in corporate tax rates in the tax bill now being written. This, in itself, was very welcome to utility holding companies which would be among the hardest hit by any rise in federal levies.

However, a far more potent reason for Electric Power & Light preferreds bouncing was a story that caught the fancy of speculators. The rumor in question was built around a conference then under way in Philadelphia between representatives of the Securities & Exchange Commission and Electric Bond and Electric Power heads.

• **United to Pay Debt**—Official explanation of the reasons for this meeting was refused. Nevertheless, according to the story, it could only mean that SEC action was at last imminent on the financing plan of an Electric Power & Light subsidiary, United Gas Corp., which has been before the commission since May, 1941.

What United Gas would like to do is sell \$75,000,000 new 3½% first mortgage bonds to 14 insurance companies at a price slightly under par and then use proceeds, in part, to pay off in cash approximately \$53,000,000 it currently owes to Electric Bond & Share. This the SEC will not let it do, however, since it feels that the circumstances sur-

rounding the original organization and financing of United Gas in 1930 by Electric Bond (which necessitated an investment by Electric Power & Light of \$87,000,000, including \$60,000,000 in cash, without any return thereon since 1932) has been a major factor in the latter's subsequent troubles.

• **Stock for the Debt**—SEC has been insistent that little cash accrue to Electric Bond out of any new United Gas financing and that the latter, instead, pay off the debt in question mainly in equity shares. According to the rumor, Electric Bond has finally accepted compromise proposals calling on it to cancel part of the debt and take new stock, probably new preferred shares, for the rest.

Moreover, as the story has it, proceeds from the sale of new United Gas mortgage bonds would be used primarily to pay off that company's present senior preferred stock, an operation requiring some \$50,000,000 of cash since accrued

dividends on the shares alone stand around \$5,000,000.

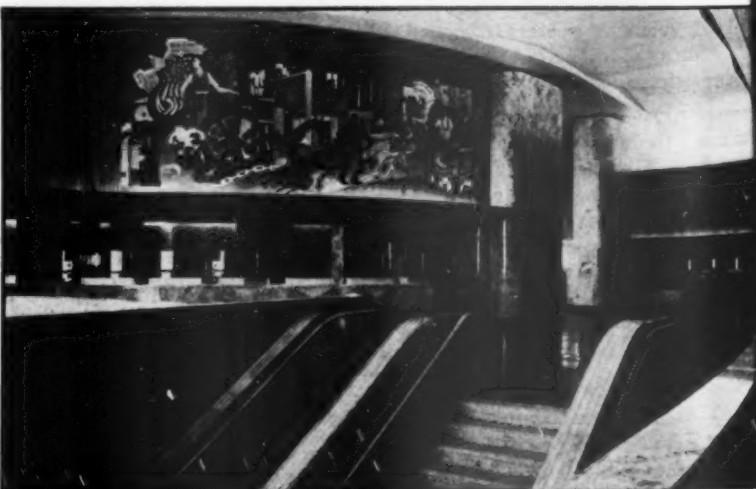
• **Benefits to E. P. & L.**—Electric & Light, as owner of all United Gas' 47% of its common stock, would then be given the major portion of the equity interest in a reorganized United Gas and the balance would be distributed to holders of the publicly held common stock.

On such a basis, it is believed it will not be long before Electric Power is in a position to put through a simplification program of its own. The company might perhaps follow in the footsteps of another Electric Bond subsidiary, American Power & Light, to reduce indebtedness and reclassify its preferred and common shares.

• **Long-Run Advantages**—Also, despite the cancellation of the debt now proposed by United Gas, analysts following the situation closely say that in the long run Electric Bond would do better than such a compromise than indicated at first glance. In fact, since it controls Electric Power, it would soon realize much of any loss originally suffered from the increased book value resulting from such holdings.

SKYSCRAPER FINALE

Towering over nighttime Dallas is the last U. S. skyscraper to be built during the war. The 30-story granite and limestone building is the Mercantile National Bank's swanky new home. Second-floor banking rooms are modernism's last word—featuring murals, structural glass, and Italian marble, some of which had to be bought from a Chicago mausoleum when war stopped imports. Started in 1940, before priorities, the building was formally opened last week, although tenanted in part months ago. To overcrowded Dallas, the 465,000 sq. ft. of new office space is a godsend.



ush Fund Echo

Former vice-president of Missouri Electric sues holding company for \$24,500,000, says some was cast on him.

Echo of the \$600,000 utility slush scandal uncovered in Missouri by Securities & Exchange Commission in the series of damage suits filed in circuit court at St. Louis last week by Frank J. Boehm who served a federal prison term for perjury after he lost his \$4,000-a-year job as executive vice-president of Union Electric Co of Missouri because of the part he played in collecting and paying out the Missouri slush fund.

Large Damages Asked—Asserting in his petitions that he had been the victim of a conspiracy on the part of a number of defendants including the North American Co., holding company controlling Union Electric, and alleging one that since 1930 the North American Co. and its utility subsidiaries have sent over five million dollars for political purposes in six states and the District of Columbia, Boehm asked for final damages of \$7,000,000 and punitive damages of \$17,500,000.

Admitting that he secretly had helped procure and disburse political funds for Union Electric Co. and its subsidiaries, Boehm asserted he was compelled to do so, under penalty of dismissal, by the North American Co. and other defendants, among which he named North American's bankers, Dillon, Read & Co.; its general counsel, Sullivan & Cromwell; Union Electric Co.; and a number of individuals who are or were officers or directors of these various defendant firms.

Individual defendants included North American's board chairman, Harrison Williams; its former president, James F. Farley; its present president, Edward T. Shea; and John Foster Dulles, partner in Sullivan & Cromwell.

Rose From a Clerk—In 25 years as an employee of Union Electric Co., largest unit in the North American system, Boehm rose from accounting clerk to executive vice-president. Beginning about 1930, he directed widespread lobbying and political activities. In October, 1938, the St. Louis newspaper disclosures precipitated a formal Securities & Exchange Commission investigation of the Union Electric Co.

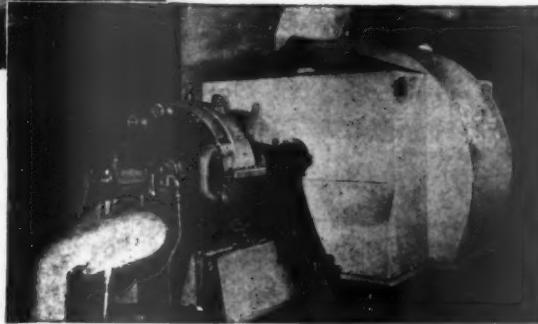
As witnesses before SEC examiners, Boehm and other Union Electric officers and employees denied the company had ever procured or used funds for political purposes. In a jury trial in United States District Court, Boehm was convicted of perjury after many politicians, lawyers, and others had testified in detail

Arming for the..



Below: Buffalo Induced Draft Fan driven by Terry Turbine.

Above: Hot riveting busky, wear-resistant blades to center plate of Buffalo Induced Draft Fan rotor.



Powdered coal ash may look harmless—yet, driven at hurricane speed from the boiler's fire bed, this hot powdery substance wears away the toughest steel. This explains the special design and the extra heavy construction of the rotor in Buffalo Induced Draft Fans. Embodying every detail of design known to reduce wear and erosion and operating efficiently at moderate (not high) speeds, Buffalo Induced Draft Fans

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THE MARKETS

During the first three days of last week, the stock market disclosed a rather leisurely, but nonetheless persistent, downtrend, with the result that price averages soon found their way down to levels even somewhat under those registered in the sharp early November break (BW-Nov. 13 '43, p110).

• **Pressure Lessens**—While this was going on, however, there was a definite lightening of the acute selling pressure earlier in evidence. Consequently, some of the trading fraternity began to have hopes that perhaps a rally, even if only on technical grounds, might be in the offing. And they were not disappointed in this connection as stocks began to perk up last Thursday and a sizable three-day rally ensued that more than wiped out the week's earlier losses.

But, even though trading volume was brisker on the up-side, daily transactions, nevertheless, remained well under the 1,000,000-share mark. Also, as so often has been the case in similar instances since the 1942-43 bull market was so abruptly halted last July, the rally which started last week has since shown no follow-through or any real basic strength. Trading volume, in fact, has fallen off this week, and the market currently seems merely to have resumed the lassitude seen on so many occasions last summer.

• **Christmas Dividends**—Consequently, Wall Street opinion with respect to the immediate outlook for stock prices continues just as confused as ever. Some bullish predictions, as usual, are going the rounds. However, a number of observers have about come to the conclusion that the rally of last week was mainly the result of a temporarily over-sold market position, accentuated by the more favorable corporate tax outlook in

the recent Washington news and a rather steady stream of so-called Christmas dividend declarations.

This less-bullish group wouldn't be all surprised to see the recent low tested before long, particularly if no up occurs in the next few weeks to set up enough new buying to offset the steady flow of tax-selling that, year-after-year, has generally resulted in a December low being registered around the 20th of the month.

Moreover, these observers are anxious awaiting the results of the impending Roosevelt-Churchill-Stalin conference since the decisions that will come as result of that meeting could very easily bring about considerable shuffling of investment portfolios.

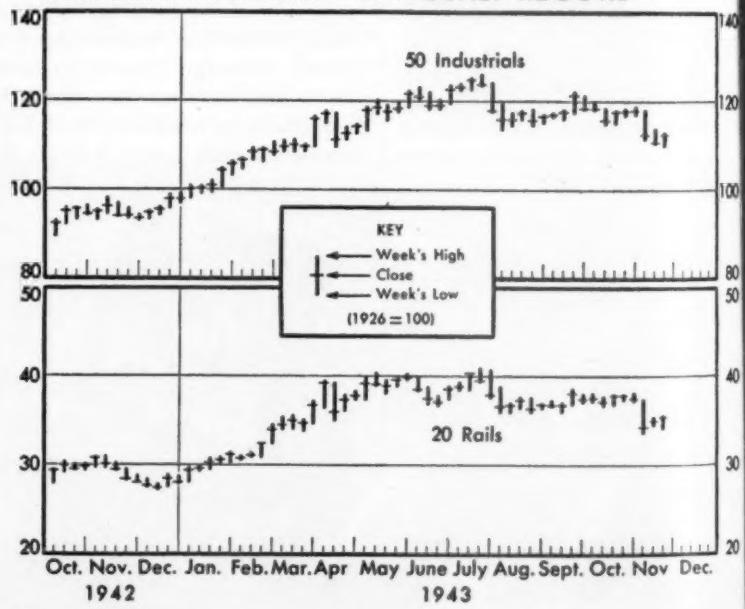
• **Utility Shares on Market**—The utility financing market this week is receiving quite an acid test since Tuesday saw the offering of 875,000 shares of Public Service of Colorado common stock. This sale, proceeds of which will aggregate \$21,875,000, does not represent any new financing, the shares having been acquired by bankers from Ciba Service Power & Light.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	111.8	110.6	117.7	94
Railroad	35.1	35.0	37.8	28.2
Utility	48.4	48.4	51.4	35.1
Bonds				
Industrial	119.1	118.9	118.5	114
Railroad	100.9	99.7	99.6	86
Utility	115.3	115.3	115.3	108.7
U. S. Govt.	112.3	112.3	112.9	109

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

COMMON STOCKS—A WEEKLY RECORD



having contributed to or received from such a fund.

Sentence Commuted—Boehm was released from prison last March after serving ten months. His sentence of five years was commuted by President Roosevelt two years and he was paroled.

Union Electric Co. as a corporation and its former president, Louis H. Egan, were convicted in U. S. District Court on conspiracy and violation of the antitrust practices section of the Holding Company Act of 1935. The corporation fined \$80,000, and Egan was sentenced to two years in prison and fined \$10,000.

The Blame Shifted—In the pending trial, Boehm avers that the defendants sought to cast the blame for Union Electric's practices on him and induced him to commit perjury, when he wished to tell the truth, thereby to discredit him as a witness, in order that they themselves might be saved from prosecution.

Ship Repair Deal

Casualty insurance group covers Bethlehem Steel Co. for \$10,000,000 in type of policy heretofore confined to Lloyd's.

Something new has been introduced in the domestic insurance field as the result of the announcement that 21 casualty insurance companies had joined together to underwrite for the Bethlehem Steel Co., in the amount of \$10,000,000, a "third party ship repairer's liability insurance" policy. Heretofore this type of protection had been handled exclusively by Lloyd's of London (See Nov. 20 '43, p109).

Navy Ships Involved—Only vague details of the underwriting have been revealed thus far, and little will be disclosed for some time because the work involved is understood to involve repairs to Navy vessels. The policy is reported to have been designed to bridge a gap between strictly government risks and regularly insurable property owners' risks which previously were not covered and thus a potential source of difficulty in the case of public liability and property damage.

One of the innovations in the underwriting, obviously, is that it is being undertaken by a group of casualty insurance companies rather than by marine insurers who are constantly engaged these days in writing standard shipbuilding risks. Globe Indemnity Co. of New York is the principal underwriter, and the policy is understood to represent the culmination of three months' hard labor by Bethlehem Steel's insurance brokers.

Innovation for Companies—A number of the casualty companies that are par-

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For 400 AIR CADETS!**



A new air training school faced a kitchen crisis: with hundreds of cadets in camp, and several hundred more were arriving, several of the electric ranges broke down in quick succession.

Replacement parts were urgently needed. Equally urgent was the need to get to the cause of the trouble, to end the series of mishaps that had affected one oven after another. A call went to Graybar for immediate help.

Before the bugler was up the following morning, Graybar had temporary repairs completed, pending arrival of replacement parts. In addition, a Graybar man worked together with the field electrician tracing the source of the trouble, which proved not to be an equipment defect, but uneven voltage due to unusual local power requirements. The cadets had hot food, and the reputation of the range builder was protected.

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FRIDEN CALCULATING MACHINE CO.	84	S.K.F. INDUSTRIES, INC.	2
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GENERAL BAG CORP.	10	SCHELM BROS. INC.	104
Agency—THE HUBBELL ADV. AGENCY, INC.		Agency—MACB ADVERTISING AGENCY, INC.	
GENERAL ELECTRIC CO.	12	SOCONY-VACUUM OIL CO., INC.	2nd Cover
Agency—NEWELL-BEATTY CO.		Agency—COMPTON ADVERTISING, INC.	
THE GLOBE-WERNICK CO.	76	B. F. STURTEVANT CO.	30
Agency—RUTHADY & RYAN, INC.		Agency—RICHARD & CO.	
THE B. F. GOODRICH CO.	1	TOMLEE TOOL & ENGR CO.	84
Agency—THE GRISWOLD-EHLEMAN CO.		Agency—J. R. HAMILTON ADV. AGENCY	
GRAYBAR ELECTRIC CO.	109	UNION ASBESTOS & RUBBER CO.	33
Agency—G. M. BARFORD CO.		Agency—WILLIAM HART ADLON, INC.	
GUARANTY TRUST CO.	75	UNION SPECIAL MACHINE CO.	28
Agency—ALBERT FRANK GUNTHER LAW, INC.		UNITED STATES TREASURY DEPT.	105
GULF OIL CORP.	25	VAUGHAN MOTOR CO.	24
Agency—YOUNG & RUBICAM, INC.		WAGNER ELECTRIC CO.	34
HAMMERMILL PAPER CO.	98	Agency—ARTHUR R. MOORE, INC.	
Agency—BATTEN, BARTON, DURSTINE & OSBORN, INC.		WARNER ELECTRIC BRAKE MFG. CO.	44
HERCULES POWDER CO., INC.	45	Agency—KLAU-VAN PETERSON-DUNLAP ASSOC.	
Agency—FULLER & SMITH & ROSS, INC.		THE WEATHERHEAD CO.	4th Cover
WM. E. HOOVER & SONS CO.	85	Agency—MAXON, INC.	
Agency—MOLAIN ORGANIZATION, INC.		WESTINGHOUSE ELECTRIC & MFG. CO.	55
INGERSOLL RAND COMPANY	87	Agency—FULLER & SMITH & ROSS, INC.	
		WILLSON PRODUCTS, INC.	8
		Agency—JAMES G. LAMB CO.	

ticipating are said to have been very loath to go into the undertaking because it departs so far from their past business experience. It is by no means certain, consequently, that the present group, or any other similar syndicate, will venture far into this new field even though at least one other big shipbuilder, according to reports, would welcome similar coverage.

CHRISTMAS SAVINGS UP

Despite payroll deductions for war bond purchases, the tremendous rise seen in savings accounts, etc., 4,800 banking institutions or other organizations throughout the country will distribute over \$420,000,000 next week to some 7,500,000 Christmas Club members, or a sum about 2% more than a year ago.

According to a recent cross-section survey, recipients intend to use 28% of the distributions for Christmas purchases, 24% for permanent savings; and 17% for war bonds. Tax payments will absorb 11%, insurance premiums will eat up 10%, and 9% will go to pay debts.

Individual memberships in this year's Christmas Clubs declined some 500,000 from 1942 levels. This drop is attributed to efforts earlier this year to get individual members of families to merge their single accounts into one combined account of larger size.

In a number of places, however, this form of saving, according to reports, has been steadily losing its former prominence. In Pittsburgh, for example, war bond purchases, absence of former club members in the armed services, and the demands on the time and personnel of banks due to ration banking have combined to force many institutions to drop the idea.

P. S.

The ICC has approved the recent Chesapeake & Ohio application (BW-Oct. 30 '43, p109) to buy 60,000 shares of Wheeling & Lake Erie common now and 14,357 additional shares of the common or preferred later as a part of C.&O.'s long-range merger plan. E. G. Budd Mfg. Co. is asking the U. S. District Court in Philadelphia to vacate the recent injunction restraining it from putting into effect the "incentive plan" earlier approved by stockholders (BW-Oct. 16 '43, p107) and has submitted a revised version which its lawyers think will be found free of the conditions the court objected to previously.

Additional reports on the use by rail systems of surplus cash to reduce their funded debt (BW-Nov. 20 '43, p105) indicate that 1943 bond retirements of Southern Pacific will run well over \$50,000,000. Similar retirements of Missouri-Kansas-Texas may come to \$20,000,000.

THE TRADING POST

Postwar Grudges

The man that backed into me as he moved away from the desk was sore. You could see that. "Sorry," he growled at me. Then I guess it dawned on him that he didn't sound a bit sorry. So he cheered up by sharing his grievance. "I've used this hotel for years," he began, "but I swear I've got all I want them for the rest of my days. These hotels treat you like . . ."

It was the same old story, so I cut in. "Yes, there's been a lot of pretty poor people thrown into the breach, and . . ." "Breach hell! That fellow's been behind that desk for years. Sure, I know there's a lot of Dumb Doras and Moron Snards got jobs today—it makes me kinda understand why we have so many unemployed most of the time. Who the devil would hire them if he could get anyone else? But I mean the people that know better—that have just had a bad attack of 'seller's ego'."

"Say," he went on, "do you know something? The other day I was thinking how lucky it is that we have a buyer's market most of the time. This seller's market seems to bring out all the native bad manners of the American people. You just can't even get decent treatment from people that normally roll out the plush carpet for you. Why the other d . . ."

"That makes me wonder," I put in, "can it be possible that because we're in a buyer's market most of the time, the native bad manners of the American people come out in the form of a 'buyer's ego'? That we're all a little spoiled, mean, and when the 'seller' worm gets chance to turn, he just . . ."

My pal stared at me a fleeting instant. "Well," he conceded, "there may be something to that. But listen. The first thing I'm going to do when I get back is check up on my own people. I can't afford to let them get many of our customers in the state I'm in. There's a goof coming one of these days, and I don't want to be on the receiving end of too many postwar grudges. Maybe I can head off some headaches by reading me not act now. So long!"

All of which came back to me one last week. I was sitting in a conference on postwar planning. The head of a substantial concern was talking. Alongside me sat the production head of another sizable company. He turned to me, smiled sourly, and whispered: "Well, he won't need to worry about taking care of our business postwar. He'd had quite enough of his high-hat crowd, thank you. Now we have to take but then . . ."

That was all. But it all leaves me wondering how long it will take some concerns to live down the ill-will that is being piled up for them today by stupid, thoughtless, or downright arrogant representatives.

Blue-Sky Budgeting

When we read that the Army now finds that it will not need some \$13 billion of its \$71 billion budget for the current fiscal year, and that the Navy thinks it may be able to lop \$5 billion from its estimated \$31 billion appropriation, it all sounds as though someone is doing a lot of economizing.

But I find that this news awakens in my memory an episode that occurred during the early months of the defense effort. Maybe it will help to explain.

A certain large company, one of the leaders in its field, was asked by the Army to bid on 95 million units of a particular product. The company declined on the ground that the quantity was fantastic and that the goods would never be taken. Soon afterward it was asked to bid on a revised schedule for 45 million units. Again it declined for the same reason.

Eventually the invitation was scaled down to 5 million units, a bid was offered, and an order placed. It turned out to be ample.

New Normal'

During a conversation I had recently with a New England manufacturer, he kept talking about the "new normal" for his business. Every few minutes that "new normal" bobbed up—whether we were discussing postwar volume, employment, costs, or whatever else.

I suspect that he has something there. I know that neither throughout that session nor since did I give a thought to that man's business before the war. I doubt that he himself is giving it much of a thought.

And if he harps as consistently on that one string when he's talking postwar plans with his own people, he sure will keep their sights set on what's coming rather than on what's gone.

After all, the sooner we get to thinking of the new conditions under which we must work as normal conditions, the sooner we shall dig up the "new normal" answers to them. And the longer we persist in thinking of them as abnormal or emergency, the more danger there is that we shall be left behind by the fellow who now is trying to dope the "new normals."

It's postwar planning we're trying to do; not prewar planning. W.C.

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